Stock Code
3257

Champion Microelectronic Corp.

2023 Annual General Meeting of Shareholders

Meeting Handbook

Time: 9:00 a.m., June 26, 2023
Address: Edison Hall, 2F, No. 1, Industrial East 2nd Road,
Science Park District, Hsinchu City, Taiwan
Meeting Convening method: physical shareholders' meeting

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7. Meeting Adjourned

Champion Microelectronic Corp.
Agenda of 2023 Annual General Meeting of Shareholders

Time: 9:00 a.m., Monday, June 26, 2023
Address: Edison Hall, 2F, No. 1, Industrial East 2nd Road, Science Park District, Hsinchu City, Taiwan
Meeting Convening method: physical shareholders' meeting

1. Commencement of the Meeting

2. Chairman’s Statement

3. Matters to Report
    (1) 2022 Business Report
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    (1) To approve 2022 Business Report and Financial Statements
    (2) To approve 2022 Profit Distribution Proposal

5. Matters for Discussion
    (1) To amend the Company’s Articles of Association
    (2) To amend the Rules of Procedure for shareholders' meeting

6. Ad Hoc Motions

7. Meeting Adjourned

Matters to Report

Item 1 .... Proposed by the Board of Directors

Cause: 2022 Business Report

Description: The 2022 Business Report is attached as Exhibit 1 (Pages 6-9).

Item 2 .... Proposed by the Board of Directors

Cause: Audit Committee’s Review Report on 2022 Final Statement

Description: The 2022 Audit Committee’s Review Report is attached as Exhibit 2 (page 10).

Item 3 .... Proposed by the Board of Directors

Cause: 2022 Employee Compensation and Director Remuneration Distribution Report

Description: In accordance with Article 25 of the Company's Articles of Association, the Company distributed the employee compensation and director remuneration for FY2022 with the approval by the resolution of the Sixth Meeting of the Ninth-Term Board of Directors. The amount of employee compensation and director compensation to be distributed is NT$12,900,952 and NT$2,177,481 respectively, both in cash.

Item 4 .... Proposed by the Board of Directors

Cause: 2022 Earnings Distribution Report

Description:
1. The Company's Sixth Meeting of the Ninth-term Board of Directors resolved to distribute the earnings for FY2022 in the amount of NT$1 per share as cash dividends, and therefore set aside NT$79,823,590 from the distributable earnings as shareholders' bonuses. The amount less than NT$1 is rounded off and transferred to other income.
2. In the event that the cash distribution rate is subsequently adjusted due to changes in the number of outstanding shares as a result of share repurchases, transfer of treasury stock to employees, or other reasons, the Chairman of the Board of Directors is authorized to change the cash distribution rate and make a distribution with the approval by the resolution of the Seventh Meeting of the Ninth-term Board of Directors on May 26, 2023.

Matters for Approval

Item 1: .... Proposed by the Board of Directors

Cause: To approve 2022 Business Report and Financial Statements

Description: 1. The 2022 consolidated balance sheet and parent company only financial statements of the Company along with the business report have been adopted by the board of directors in the Sixth Meeting of the Ninth-term Board of Directors and the Audit Committee has issued its Review Report. The above 2022 consolidated balance sheet and parent company only financial statements have been audited by the accountants Chen Zhengchu and Fu Wenfang of Ernst & Youn.

2. Please refer to Exhibit 1 on pages 6-9, Exhibit 3 on pages 11-21 and Exhibit 4 on pages 22-30 of this Handbook for 2022 Business Report and Financial Statements mentioned above.

Resolution:

Item 2:.. Proposed by the Board of Directors

Cause: To approve 2022 Profit Distribution Proposal

Description: 1. The 2022 profit distribution proposal has been adopted by the board of directors in the Sixth Meeting of the Ninth-term Board of Directors and the Audit Committee has issued its Review Report.

2. Please refer to Exhibit 5 on page 31 of this Handbook.

Resolution:

Matters for Discussion

Item 1: ....Proposed by the Board of Directors
Cause: To amend the Company's Articles of Association.
Description: To comply with the requirements of the Company Act on public offerings, the board of directors intends to hold the shareholders' meeting via video conference to amend the Company's Articles of Association. Please refer to Exhibit 6 on page 32 of this Handbook.
Resolution:

Item 2: ....Proposed by the Board of Directors
Cause: To amend the Rules of Procedure for shareholders' meeting.
Description: To establish a good governance system for the Company's shareholders' meetings, improve the supervisory function and strengthen the management mechanism, and to comply with the requirements of the "Reference Model Rules for Shareholders' Meetings of ○○ Corporation" published by the Taiwan Stock Exchange, the board of directors intends to comprehensively amend the "Rules of Procedures for Shareholders' Meetings" of the Company. Please refer to Exhibit 7 on pages 33 to 58 of this Handbook for the comparison table of the amendments.
Resolution:

Ad Hoc Motions

Meeting Adjourned

Exhibit 1: 2022 Business Report

Champion Microelectronic Corp.
2022 Business Report

1. Business Results in 2022
   1. Planned business results

      Dear shareholders, hit by the negative events such as cooling down of the stay-at-home economy of the desktop computer industry and hence declining market demands, the ensuing Russia-Ukraine war, the blockade in epidemic in mainland China, and global high inflation in 2022, the high inventory is caused, the consumer demand for desktop computers in the market is weak, and the purchasing power shrinks and the destocking in inventories have cast a shadow over the desktop computer industry. Therefore, the company's operating results in 2022 have declined sharply. The revenue was lowered by 58% over 2021, the after-tax net profit was declined by 72%, and the after-tax earnings per share was NT$1.41.
   2. Budget execution: Not applicable.
   3. Analysis of financial income and expenses and profitability

Units: NT$ thousand; only NT$ for earnings per share

Items	FY2022	FY2021	Growth rate (%)
Net operating income	542,232	1,296,040	-58.16%
Operating cost	269,723	594,665	-54.64%
Gross profit	272,509	701,375	-61.15%
Gross profit rate	50%	54%	-7.13%
Operating expense	195,200	235,572	-17.14%
Operating profit	77,309	465,803	-83.40%
Non-operating income and expenses	47,073	8,705	440.76%
Net profit before tax	124,382	474,508	-73.79%
Net income	112,304	401,152	-72.00%
Basic earnings per share - after tax	1.41	5.03	-71.97%

Source: presented based on the consolidated financial statements audited by accountants.

   4. Research and Development

      The company's research and development still focus on the design and development of AC/DC power management ICs and power switching components. In addition to the existing PFC/PWM control chips, synchronous hybrid resonance (SLS) control chips, and power switching components (MOSFET, PFC Diode) and other products, the Company has been more actively planning and investing resources in the research and development of the following related categories of products in recent years, to meet the needs of the terminal application market and the power supply development trends:

      (1) High-performance power management IC series:

      Energy conservation, carbon reduction, and environmental awareness have become a consensus among countries around the world, and the power system specifications and related regulatory requirements of terminal products will become more stringent. Therefore, the core power management IC must be evolved, upgraded, and even achieve breakthrough innovation. For that reason, we have been working on PC, workstation, server, TV, esports/gaming equipment, industrial control and other high power (75W-2.5KW) supply applications for a long time, and based on the original CCM PFC and synchronous hybrid resonance (SLS) control technology, we continue to refine and launch higher performance AC/DC power management IC solutions: TNS (True No Standby) V family, including CU6500/02V, CU6510/12V, CU6901V, and CMRRIO4V. The TNS solution not only further improves the overall power supply performance, but also streamlines and eliminates the standby power circuit in the power supply system, reducing the cost of overall power supply system and helping customers to create higher performance and highly competitive power supply products. In addition, the TNS solution can easily meet the requirements of Intel's latest special specifications such as ultra-light load efficiency. A number of customers have already introduced and mass-produced the TNS solution and continue to use it for planning and developing new products. In addition, in order to continue to pursue the optimization of power conversion efficiency, the Company has planned and invested resources to conduct innovative design and development of sensing mechanism and control technology for the current Boost PFC power conversion stage power control chip solution, and intends to develop a CCM PFC control IC with low sensing resistance. The CU6511V is intended to further reduce the loss of current sense resistance in the Boost PFC power conversion stage to improve power conversion efficiency.

(2) Power control IC series for high power density/high efficiency solution requirements:

In recent years, due to the rapid advancement of technology, the functionality and system integration of electronic products are becoming more sophisticated and complete, so the portability and slimness of end products are also more demanding. For AC/DC adapters and chargers of mobile devices (e.g. laptops, tablets, cell phones, ...), the relevant supply/charge specifications will be gradually normalized and standardized (e.g. USB PD) in order to improve commonality. Therefore, to reduce the overall size and increase the power density of the AC/DC power supply, we have developed a groundbreaking innovative power supply architecture and control IC solution: Dr. Family, including Dr. Flyback, Dr. Bridge, and Dr. SR. Dr. Flyback and Dr. SR will target the market of small and medium power application such as USB PD and fast charging. Through the advantages of Dr. Flyback and Dr. SR technical solutions and system integration design, the power density of power products can be further increased to help customers differentiate their products and enhance their competitive advantage. On the other hand, if the size of AC/DC power supply is to be reduced to increase the power density, the temperature of the bridge rectifier element at the input end is the most important bottleneck, and the additional heat removal measures to reduce the temperature of the bridge rectifier element will indirectly affect the overall product performance. In that case, the size cannot be reduced and the bridge rectifier is limited by its forward conduction voltage drop and cannot be further reduced, so the overall power conversion efficiency will also be limited and cannot be further improved. Our Dr. Bridge solution can effectively improve/solve the efficiency and temperature handling problems faced by the original bridge rectifier, providing the best high efficiency/high power density power solution for customers' products. Several customers have already introduced Dr. Flyback and Dr. Bridge chip solutions into their new power supply models and they have been mass-produced. In addition, for less than 250W AC/DC power supply applications that require PFC, the company continues to invest in the development of a high-performance PFC controller: Dr. PFC for this power range in order to optimize power performance specifications and power density. For less than 150W power supply products, the collaboration and design integration between the currently developed Dr. PFC chip and the mass-produced Dr. Flyback chip will make it easy to achieve high efficiency/high power density power supply designs.

(3) Standby energy-saving management IC products:

The EU Energy Consumption Product Directive (EuP/ErP) requires that electronic products in standby mode must comply with the relevant energy consumption requirements (e.g. Lot 6 requires less than 0.5W in off mode and standby mode. To meet the regulatory requirements, through the chip technology and packaging process design integration, the Company has developed a standby switching control IC product, CM02/CMD02 IC. The product is compact and easy to use for customers to design terminal power products that meet regulatory requirements. Many of our customers have already introduced and mass-produced the product in their various power supply products.

(4) Niche power switching components:

In order to provide customers with comprehensive power supply product solutions and reduce the matching problem arising from power component characteristics and system chip integration design, and to reduce the development time of the whole system, we continue to develop power switching components (such as Super Junction MOSFETs, SR MOSFETs and etc.) for use with power control ICs in systems, and develop power components with more suitable specifications and characteristics by mastering customers' system requirements and IC operation characteristics, in order to expand upstream and downstream cooperation in the industry chain and create a win-win situation.

II. Summary of 2023 Business Plan:

The company's main products used to be focused on higher power applications, and the power supply for mobile devices has been an area that the company has actively invested in over the past few years. With the introduction of complete solutions of less than 100W, the Company has the opportunity to make success in the power supply for mobile devices such as notebooks and cell phones this year. It is estimated the sales volume of the Company will be 65,055 thousand in 2023.

III. Future development strategies of the Company

1. To adjust the product sales mix. In addition to focusing on high unit price and high margin power management IC products, we also continue to develop high efficiency power devices to provide customers with complete power integration solutions.
2. To adopt a parallel strategy of channel and brand for the sales of power supply for mobile devices.
3. To continue to deepen the core technology.
4. To develop third-generation semiconductor (GaN) products for applications.

IV. Impact of the external competitive environment, regulatory environment, and overall business environment

1. Impact of external competitive environment

   Although the supply chain of semiconductors did not fall short of demand during the epidemic this year, there is still considerable uncertainty due to the geopolitical impact. It is necessary to stabilize the market share of existing products and promote new products to make the Company keep growing.
2. Impact of the regulatory environment

   The company implements the requirements for ESG in operational management. In terms of "E", Champion's core technology is to improve power conversion efficiency to achieve energy saving and power saving, and will continue to contribute to environmental protection in the future; in terms of "S", the Company pursues a four-win outcome for employees, shareholders, customers, and suppliers to create a mutually beneficial and co-prosperous business philosophy; and in terms of "G", it continues to implement the requirements of corporate governance.

3. Impact of the general economic environment

   Under the influence of the COVID-19 pandemic, Russia-Ukraine war, high inflation and climate change, economic activities in various countries have slowed down significantly, and the global economic outlook is still facing a lot of risks. Under the influence of this environment, the exchange rate still fluctuates, and the Company has implemented US dollar monthly settlement strategy to control exchange loss.

Due to the general environment, the Company's revenue and profit declined in 2022 over the past few years. Looking ahead to this year, although there are still many external operating variables, the Company will be able to get out of last year's operating slump with the gradual receding of the inventory level of end customers and the injection of several new products. Thank you for the support of our shareholders and we wish you all the best in your investment and success.

Chairman: FANG, MIN-ZONG

Managerial Officer: LIN, BAO-WEI

Accounting Supervisor: ZHANG, LI-RU

Exhibit 2: Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors submitted the Company's 2022 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and Profit Distribution Proposal. Ernst & Young Taiwan has audited the Parent Company Only Financial Statements and Consolidated Financial Statements and has issued an audit report. The audit committee has reviewed the above business report, parent company only financial statements and consolidated financial statements and profit distribution proposal mentioned above. In our opinion, they meet the requirements of the Company Act and other regulations. We issued an audit report above for your review in accordance with Article 14 (4) of the Securities Exchange Act and Article 219 of the Company Act.

Yours sincerely

2023 Annual General Meeting of Shareholders of Champion Microelectronic Corp.

Audit Committee convener: ZHAN, WEN-XIONG

February 23, 2023

Exhibit 3: Consolidated Financial Statements and Accountant's Audit Report in FY 2022

Accountant's Audit Report

Sealed by Champion Microelectronic Corp.:

Opinion

We have audited the consolidated balance sheets as of December 31, 2022, and the consolidated statements of income, changes in equity, and cash flows for the period from January 1 to December 31, 2022, and the notes to the consolidated financial statements (including a summary of significant accounting policies) of Champion Microelectronic Corp. and its subsidiaries.

In our opinion, the financial statements referred to above were prepared in all material respects in accordance with the standards for the preparation of financial reports of the security issuers, and International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations and its Interpretations approved and issued by the Financial Supervisory Commission. They are enough sufficient to fairly represent the financial conditions as of December 31, 2022 of Champion Microelectronic Corp. and its subsidiaries as well as financial performance and cash flows as of January 1 to December 31, 2022.

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Champion Microelectronic Corp. in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit and report of other auditors, 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 (KAM) are defined as those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Champion Microelectronic Corp. and its subsidiaries for the year of 2022. 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 express a separate opinion on these matters.

Recognition of revenue

The main source of revenue of Champion Microelectronic Corp. and its subsidiaries is derived from the research, development, production, manufacture and sale of power integrated circuits, power modules, field-effect transistors and fast recovery diodes, with the recognized revenue of NT$542,232 thousand in 2022. We have determined to take significant reductions in sales revenue for the year ended December 31, 2022 as the key audit matter as it had a material effect on the consolidated financial statements of Champion Microelectronic Corp. and its subsidiaries for the year of 2022.

Our auditing procedures include, but are not limited to, assessing the appropriateness of accounting policies for revenue recognition; understanding and testing the effectiveness of management's internal controls over revenue recognition, including the identification of performance obligations in customer contracts and the accounting for the timing of revenue recognition; and performing analytical procedures on gross margin, accounts receivable turnover, and changes in major customers over the past two years to assess the reasonableness of turnover days of sales revenue and accounts receivable; performing transaction line item testing on a sample of reconciliation certificates to confirm the authenticity of transactions and to review significant terms and conditions in contracts to confirm the timing of revenue recognition; and performing cut-off point tests to review the certificates related to revenue and transactions in the period before and after the balance sheet date to confirm that revenue is recognized in the correct period and reviews the reasonableness of significant post-period sales returns and allowances.

We also considered the appropriateness of the accounting policy for revenue recognition in Note IV and the disclosure of revenue details in Note VI to the consolidated financial statements.

<u>Inventory valuation</u>

As of December 31, 2022, Champion Microelectronic Corp. and its subsidiaries had net inventory of NT$371,687 thousand, accounting for 25% of total assets. Due to the rapid technological changes in the semiconductor industry, management needs to estimate inventory allowance for the dead inventory that is expected to be scrapped or disposed of in the future. Since the estimation of amount of losses in dead inventory involves management's subjective judgment, the key inputs include inventory depletion, historical obsolescence of dead inventories and inventory aging range, the audit work of losses in dead inventory evaluation is complicated. Therefore, we have determined it is a critical audit matter.

Our audit procedures include, but are not limited to, assessing the appropriateness of accounting policies for inventory valuation; understanding and testing the effectiveness of management's internal control system over inventory, including the carryforward of inventory costs and the allowance for doubtful accounts; selecting significant inventory locations and performing physical observations of inventory counts to confirm the quantity and condition of inventory; testing the correctness of inventory aging ranges and recalculating whether adequate allowance for doubtful accounts has been made in accordance with accounting policies. In addition, a sample is taken to check against the relevant certificates to confirm the correctness of the net realizable value used by the management.

We also considered the appropriateness of inventory disclosure in Notes IV, V and VI to the financial statements.

Other matter - Reference to the audit of other auditors

The consolidated balance sheets of as of December 31, 2021, the consolidated comprehensive income statement as of January 1 to December 31, 2021, and the consolidated statement of changes in equity and cash flow as of January 1 to December 31, 2021 of Champion Microelectronic Corp. and its subsidiaries as well as the notes to the consolidated financial statements (including a summary of significant accounting policies) were audited by other auditors, and an unqualified audit report were issued on February 18, 2022.

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

Management is responsible for preparing and fair presenting the consolidated financial statements in accordance with the requirements of standards for the preparation of financial reports of the security issuers, and International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations and its Interpretation Announcements approved and issued by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the consolidated financial statements, management is responsible for assessing Champion Microelectronic Corp. and its subsidiaries' 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 intends to liquidate Champion Microelectronic Corp. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

The units charged with governance (including the Audit Committee) of Champion Microelectronic Corp. and its subsidiaries is responsible for overseeing the financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 users have taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of the internal control relevant to our 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 Champion Microelectronic Corp. and its subsidiaries' 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 Champion Microelectronic Corp. and its subsidiaries’ ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Champion Microelectronic Corp. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the statements present the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide the units charged with governance with a statement that we have complied with the independence requirements of the Code of Ethics for Auditors in accordance with the Norm of Professional Ethics for Certified Public Accountants and communicate with them about all relationships and other matters (including related safeguards) that may be considered to affect the auditors' independence.

We have determined, based on the communication with the units charged with governance, to audit the key audit matters in the consolidated financial statements of Champion Microelectronic Corp. and its subsidiaries for the year of 2022. We identified those matters in the auditor's report, except for those specific matters that are not permitted by law to be disclosed publicly or, in rare circumstances, where we decided not to communicate those matters in the auditor's report because the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

Others

Champion Microelectronic Corp. has prepared its parent company only financial statements for 2022, and we have issued an unqualified audit report, which includes other explanatory information, for reference.

Ernst & Young Taiwan

The competent authorities approved the processing of public issuance of Champion Microelectronic Corp.'s financial reports

Auditing and attestation Ref.:

Jin Guan Zheng Liu Zi No. 0970038990

(90) Tai Cai Zheng (VI) No.100690

Chen Zhengchu

Accountants:

Fu Wenfang

February 23, 2023

Consolidated Financial Statements and Accountant's Audit Report of Champion Microelectronic Corp.
Consolidated Balance Sheet
December 31, 2021 and 2022

Unit: NT$ thousand

Code	Items	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Assets					
	Current assets					
1100	Cash and cash equivalents	(VI).1	$519,408	33	$869,042	44
1170	Net accounts receivable	(VI).4,13	78,670	5	202,707	10
1200	Other receivables		748	0	1,436	0
1220	Income tax assets for the period	(VI).18	31,667	2	-	-
130x	Inventory	(VI).5	387,062	25	249,663	13
1410	Prepayments		17,309	1	10,103	0
1470	Other current assets		283	0	134	0
1476	Other financial assets - current		66,900	4	191,460	10
	Total current assets		1,102,047	70	1,524,565	77
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	(VI).2	957	0	957	0
1517	Financial assets at fair value through other comprehensive income - non-current	(VI).3	123,130	8	127,837	6
1600	Property, plant and equipment	(VI).6	195,548	12	188,761	9
1755	Right-of-use assets	(VI).14	12,804	1	14,850	1
1780	Intangible assets	(VI).7	1,286	0	993	0
1840	Deferred income tax assets	(VI).18	60,476	4	51,603	3
1900	Other non-current assets	(VI).8/(VIII)	70,202	5	70,567	4
1915	Prepayment for equipment		-	-	7,586	0
	Total non-current assets		463,403	30	463,154	23
1xxx	Total assets		$1,565,450	100	$1,987,719	100

Code	Items	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Liabilities and equity					
	Current liabilities					
2170	Accounts payable		$25,151	2	$64,742	3
2200	Other payables		46,261	3	102,869	5
2230	Income tax liabilities for the period		-	-	56,912	3
2280	Current lease liabilities	(VI).14	1,456	0	1,659	0
2300	Other current liabilities		1,462	0	1,418	0
	Total current liabilities		74,330	5	227,600	11
	Non-current liabilities					
2570	Deferred income tax liabilities	(VI).18	7,588	0	-	-
2580	Non-current lease liabilities	(VI).14	11,965	1	13,810	1
2670	Other non-current liabilities - others		641	0	137	0
	Total non-current liabilities		20,194	1	13,947	1
2xxx	Total liabilities		94,524	6	241,547	12
	Equity attributable to owners of the parent company					
3100	Share capital					
3110	Ordinary share capital	VI.10	799,866	51	799,866	40
3200	Capital surplus	VI.10	173,314	11	213,226	11
3300	Retained earnings	VI.10				
3310	Legal reserve		205,994	13	165,879	8
3320	Special reserve		39,014	2	34,466	2
3350	Undistributed earnings		289,421	19	580,986	29
	Total retained earnings		534,429	34	781,331	39
	Other equity interest					
3410	Exchange differences on translation of financial statements of foreign operations		(25,326)	(2)	(41,601)	(2)
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income		(2,120)	(0)	2,587	0
	Total other equity interest		(27,446)	(2)	(39,014)	(2)
3500	Treasury stock	VI.10	(9,237)	(0)	(9,237)	(0)
31xx	Total equity attributable to owners of the parent company		1,470,926	94	1,746,172	88
3xxx	Total equity		1,470,926	94	1,746,172	88
3x2x	Total liabilities and equity		$1,565,450	100	$1,987,719	100

(Please refer to the Notes to Consolidated Financial Statements)

Chairman: Fang Minzong Manager: Lin Baowei Accounting Supervisor: Zhang Liru

Consolidated Income Statement

January 01 to December 31, 2022 and January 01 to December 31, 2021

Unit: NT$ thousand

Code	Items	Notes	2022 Amount	2022 %	2021 Amount	2021 %
4000	Operating income	(VI).12	$542,232	100	$1,296,040	100
5000	Operating costs	(VI).5,15	(269,723)	(50)	(594,665)	(46)
5900	Gross profit		272,509	50	701,375	54
6000	Operating expenses	(VI).13,15				
6100	Marketing fees		(11,801)	(2)	(16,858)	(1)
6200	Administrative expenses		(40,568)	(8)	(52,932)	(4)
6300	Research and development expenses		(142,831)	(26)	(165,782)	(13)
	Total operating expenses		(195,200)	(36)	(235,572)	(18)
6900	Operating profit		77,309	14	465,803	36
7000	Non-operating income and expenses					
7100	Interest income		7,190	1	5,707	1
7010	Other income		2,894	1	3,306	0
7020	Other gains and losses		37,281	7	63	0
7050	Financial costs		(292)	(0)	(371)	(0)
	Total non-operating income and expenses	(VI).16	47,703	9	8,705	1
7900	Net profit before tax		124,382	23	474,508	37
7950	Income tax (expense)	(VI).18	(12,078)	(2)	(73,356)	(6)
8000	Net profit of going concern operations for the period		112,304	21	401,152	31
8200	Net profit for the period		112,304	21	401,152	31
8300	Other comprehensive profit and loss	(VI).17				
8310	Items not reclassified to profit or loss					
8316	Unrealized valuation gains or losses on investments in equity instruments at fair value through other comprehensive income or loss		(4,707)	(1)	(291)	(0)
8360	Items reclassified to profit or loss in the future					
8361	Exchange differences on translation of financial statements of foreign operations		16,275	3	(4,257)	(0)
	Other comprehensive profit and loss (net after tax) for the period		11,568	3	(4,548)	(0)
8500	Other comprehensive profit and loss for the period		$123,872	24	$396,604	31
8600	Net profit attributable to:					
8610	Owners of the parent company		112,304	21	401,152	31
8700	Total comprehensive profit and loss attributable to:					
8710	Owners of the parent company		123,872	24	396,604	31
	Earnings per share (NT$)	(VI).19				
9750	Basic earnings per share		$1.41		$5.03	
9850	Diluted earnings per share		$1.40		$4.98	

(Please refer to the Notes to Consolidated Financial Statements)

Chairman: Fang Minzong Manager: Lin Baowei Accounting Supervisor: Zhang Liru

Consolidated Financial Statements and Accountant’s Audit Report of Champion Microelectronic Corp.
Consolidated Statement of Changes in Equity
January 01 to December 31, 2022 and January 01 to December 31, 2021

Unit: NT$ thousand

	Items	Equity attributable to owners of the parent company									Total equity
		Share capital		Retained earnings			Other equity items				
		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Treasury stock	Total equity attributable to owners of the parent company	
Code		3110	3200	3310	3320	3350	3410	3420	3500	31xx	3xxx
A1	Balance as of January 1, 2021	$727,390	$292,224	$141,904	$31,869	$416,586	($37,344)	$2,878	($14,905)	$1,560,602	$1,560,602
	Appropriation and distribution of earnings for the year 2020										
B1	Legal reserve appropriated	-	-	23,975	-	(23,975)	-	-	-	-	-
B3	Special reserve appropriated	-	-	-	2,597	(2,597)	-	-	-	-	-
B5	Cash dividends on common stock	-	-	-	-	(137,704)	-	-	-	(137,704)	(137,704)
B9	Dividends on common stock	72,476	-	-	-	(72,476)	-	-	-	-	-
C15	Distribution of cash dividends from capital reserves	-	(79,724)	-	-	-	-	-	-	(79,724)	(79,724)
D1	Net profit from January 1st to December 31st, 2021	-	-	-	-	401,152	-	-	-	401,152	401,152
D3	Other comprehensive income from January 1 to December 31, 2021	-	-	-	-	-	(4,257)	(291)	-	(4,548)	(4,548)
D5	Total comprehensive income from January 1 to December 31, 2021	-	-	-	-	401,152	(4,257)	(291)	-	396,604	396,604
L1	Repurchase of treasury stock Transfer of treasury stocks to employees	-	726	-	-	-	-	-	5,668	6,394	6,394
Z1	Balance as of December 31, 2021	$799,866	$213,226	$165,879	$34,466	$580,986	($41,601)	$2,587	($9,237)	$1,746,172	$1,746,172
A1	Balance as of January 1, 2022	$799,866	$213,226	$165,879	$34,466	$580,986	($41,601)	$2,587	($9,237)	$1,746,172	$1,746,172
	Appropriation and distribution of earnings for the year 2021										
B1	Legal reserve appropriated	-	-	40,115	-	(40,115)	-	-	-	-	-
B3	Special reserve appropriated	-	-	-	4,548	(4,548)	-	-	-	-	-
B5	Cash dividends on common stock	-	-	-	-	(359,206)	-	-	-	(359,206)	(359,206)
C15	Distribution of cash dividends from capital reserves	-	(39,912)	-	-	-	-	-	-	(39,912)	(39,912)
D1	Net profit from January 1st to December 31st, 2022	-	-	-	-	112,304	-	-	-	112,304	112,304
D3	Other comprehensive income from January 1 to December 31, 2022	-		-	-	-	16,275	(4,707)	-	11,568	11,568
D5	Total comprehensive income from January 1 to December 31, 2022	-	-	-	-	112,304	16,275	(4,707)	-	123,872	123,872
Z1	Balance as of December 31, 2022	$799,866	$173,314	$205,994	$39,014	$289,421	($25,326)	($2,120)	($9,237)	$1,470,926	$1,470,926

(Please refer to the Notes to Consolidated Financial Statements)

Chairman: Fang Minzong　　Manager: Lin Baowei　　Accounting Supervisor: Zhang Liru

Consolidated Financial Statements and Accountant's Audit Report of Champion Microelectronic Corp.
Consolidated Cash Flow Statement
January 01 to December 31, 2022 and 2021

Unit: NT$ thousand

Code	Items	2022 Amount	2021 Amount
	Cash flow from operating activities:		
A10000	Net profit before tax for the period	$124,382	$474,508
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	21,945	22,977
A20200	Amortization	492	377
A20900	Interest expense	290	371
A21200	Interest income	(7,136)	(5,707)
A21900	Share-based compensation cost	-	726
A22500	Disposal and scrapping of property, plant and equipment (interest)	-	(2,600)
A22600	Property, plant and equipment transferred to expenses	929	-
A29900	Other adjustments	2,273	7,156
A20010	Adjustments to reconcile profit (loss)	18,793	23,300
A30000	Changes in assets/liabilities related to operating activities:		
A31000	Net changes in assets related to operating activities		
A31150	Decrease (increase) in accounts receivable	124,057	(9,126)
A31180	Decrease in other receivables	786	73
A31200	(Increase) in inventories	(139,442)	(34,197)
A31230	Decrease (increase) in prepayments	(7,206)	818
A31240	(Increase) in other current assets	(149)	(2,247)
A31250	Decrease in other financial assets	124,560	-
A32000	Net change in liabilities related to operating activities		
A32125	(Decrease) in contractual liabilities	-	(6)
A32150	(Decrease) in accounts payable	(39,591)	(47,918)
A32180	Increase (decrease) in other payables	(56,917)	21,339
A32230	Increase (decrease) in other current liabilities	44	(32)
A30000	Total net changes in assets and liabilities related to operating activities	6,142	(71,296)
A33000	Cash inflow generated from operations	149,317	426,512
A33100	Interest received	7,038	5,602
A33300	Interest paid	(6)	(4)
A33500	Income tax paid	(101,942)	(36,439)
AAAA	Net cash flows from (used in) operating activities	54,407	395,671
	Cash flow from (used in) operating activities:		
B00040	Acquisition of financial assets at amortized cost	-	(191,460)
B00050	Disposal of financial assets at amortized cost	-	505,503
B02700	Acquisition of property, plant and equipment	(19,072)	(36,246)
B02800	Disposal of property, plant and equipment	-	2,600
B03700	Increase in refundable deposits	5	52
B04500	Acquisition of intangible assets	(785)	-
B06800	(Decrease) increase in other non-current assets	360	-
B07100	Increase in prepayments for equipment	-	(2,769)
BBBB	Net cash (outflow) inflow from investing activities	(19,492)	277,680
	Cash flow from financing activities:		
C03000	Increase in guarantee deposits received	-	(321)
C04020	Payments of lease liabilities	(1,724)	(2,058)
C04300	Increase in other non-current liabilities	504	-
C04500	Cash dividends paid	(399,118)	(217,428)
C05100	Treasury stocks purchased by employees	-	5,668
CCCC	Net cash flows used in financing activities	(400,338)	(214,139)
DDDD	Effect of exchange rate changes on cash and cash equivalents	15,789	(11,347)
EEEE	Increase (decrease) in cash and cash equivalents for the period	(349,634)	447,865
E00100	Cash and cash equivalents at beginning of period	869,042	421,177
E00200	Cash and cash equivalents at end of period	$519,408	$869,042

(Please refer to the Notes to Consolidated Financial Statements)

Chairman: Fang Minzong　　Manager: Lin Baowei　　Accounting Supervisor: Zhang Liru

Exhibit 4: Parent Company Only Financial Statements and Accountants' Audit Report in FY 2022

Accountant's Audit Report

Champion Microelectronic Corp. requests for joint inspection:

Opinion

We have audited the accompanying parent company only balance sheets of Champion Microelectronic Corp. (hereinafter referred to as the Company) as of December 31, 2022, and the related parent company only consolidated statements of income, changes in equity, and cash flows for the period from January 1 to December 31, 2022, and the notes to the parent company only financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements referred to above were prepared in all material respects in accordance with the standards for the preparation of financial reports of the security issuers. They are enough sufficient to fairly represent the financial conditions as of December 31, 2022 of Champion Microelectronic Corp. and financial performance and cash flows as of January 1 to December 31, 2022.

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. Our responsibility under these standards will be further explained in the paragraph of our responsibility to review the parent company only financial statements. The staff of the firm to which we are affiliated is regulated by the Code of Ethics for Accountants and maintains independence of Champion Microelectronic Corp. We also perform other responsibilities under the Code. Based on our audit and report of other auditors, 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 (KAM) are defined as those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of Champion Microelectronic Corp. for FY2022. These matters have been considered in the course of auditing the consolidated financial statements as a whole and forming an opinion thereon, and we do not express an opinion on these matters individually.

<u>Recognition of revenue</u>

The Company derives its revenue from the research, development, production, manufacture and sale of power integrated circuits, power modules, field-effect transistors and fast recovery diodes, with the recognized revenue of NT$ 532,754 thousand in FY2022. We have determined to take the significant decrease in sales revenue for the year ended December 31, 2021 as the key audit matter as it had a material effect on the Parent Company Only Financial Statements of Company for FY2022.

Our auditing procedures include, but are not limited to, assessing the appropriateness of accounting policies for revenue recognition; understanding and testing the effectiveness of management's internal controls over revenue recognition, including the identification of performance obligations in customer contracts and the accounting for the timing of revenue recognition; and performing analytical procedures on gross margin, accounts receivable turnover, and changes in major customers over the past two years to assess the reasonableness of turnover days of sales revenue and accounts receivable; performing transaction line item testing on a sample of reconciliation certificates to confirm the authenticity of transactions and to review significant terms and conditions in contracts to confirm the timing of revenue recognition; and performing cut-off point tests to review the certificates related to revenue and transactions in the period before and after the balance sheet date to confirm that revenue is recognized in the correct period and reviews the reasonableness of significant post-period sales returns and allowances.

We also considered the appropriateness of the accounting policy for revenue recognition in Note IV and the disclosure of revenue details in Note VI to the consolidated financial statements.

Inventory valuation

As of December 31, 2022, the Company had net inventory of NT$371,687 thousand, accounting for 24% of total assets. Due to the rapid technological changes in the semiconductor industry, management needs to estimate inventory allowance for the dead inventory that is expected to be scrapped or disposed of in the future. Since the estimation of amount of losses in dead inventory involves management's subjective judgment, the key inputs include inventory depletion, historical obsolescence of dead inventories and inventory aging range, the audit work of losses in dead inventory evaluation is complicated. Therefore we have determined it is a critical audit matter.

Our audit procedures include, but are not limited to, assessing the appropriateness of accounting policies for inventory valuation; understanding and testing the effectiveness of management's internal control system over inventory, including the carry-forward of inventory costs and the allowance for doubtful accounts; selecting significant inventory locations and performing physical observations of inventory counts to confirm the quantity and condition of inventory; testing the correctness of inventory aging ranges and recalculating whether adequate allowance for doubtful accounts has been made in accordance with accounting policies. In addition, a sample is taken to check against the relevant certificates to confirm the correctness of the net realizable value used by the management.

We also considered the appropriateness of inventory disclosure in Notes IV, V and VI to the financial statements.

Other matter - Reference to the audit of other auditors

The parent company only financial statements of the Company for the year 2021 were audited by other certified public accountants, and an unqualified audit report was issued on February 18, 2022.

Obligations of management and governing body for Parent Company Only Financial Statements

It is the management's responsibility to fairly present the Parent Company Only Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers," and to avoid material misstatements due to fraud or errors therein.

In preparing the parent company only financial statements, the management's responsibility also includes assessing the Company's ability to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless the management intends to liquidate the Company or cease its operations, or there is no practical alternative to liquidation or cessation of operations.

The governance unit (including the Audit Committee) of the Company is responsible for overseeing the financial reporting process.

Obligations of CPA to audit the Parent Company Only Financial Statements

The purpose of our audit is 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 audit report thereon. An audit conducted in accordance with auditing standards does not provide assurance that material misstatements in the parent company only financial statements can be identified. Misstatements can arise from fraud or error and are considered material Misstatements are considered material if, individually or in the aggregate, they may reasonably be expected to influence the economic decisions taken on the basis of these Parent Company Only Financial Statements by users hereof.

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

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements, whether due to fraud or errors, design and performing audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a solid basis for the CPA's professional 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 the internal control relevant to our 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.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Based on the evidence obtained, we have made a conclusion as to the appropriateness of the management's adoption of the going concern basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the Company. If the CPA considers that there is material uncertainty in such events or circumstances, he shall, in the audit report, remind users of the Parent Company Only Financial Statements of the relevant disclosure of the Parent Company Only Financial Statements or amend the audit opinion where such disclosure is not appropriate. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to have the ability to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the statements present fairly the related transactions and events.

6. Obtain sufficient and appropriate audit evidence to form an opinion on the financial information of the Company's parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide the units charged with governance with a statement that we have complied with the independence requirements of the Code of Ethics for Auditors in accordance with the Norm of Professional Ethics for Certified Public Accountants and communicate with them about all relationships and other matters (including related safeguards) that may be considered to affect the auditors' independence.

We have determined, based on the communication with the governance unit, to audit the key audit matters of the Company's parent company only financial statements for FY2022. We identified those matters in the auditor's report, except for those specific matters that are not permitted by law to be disclosed publicly or, in rare circumstances, where we decided not to communicate those matters in the auditor's report because the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

Ernst & Young Taiwan
The competent authorities approved the processing of public issuance of Champion Microelectronic Corp.'s financial reports
Auditing and attestation Ref.: Jin Guan Zheng Liu Zi No. 0970038990
(90) Tai Cai Zheng (VI) No.100690

Chen Zhengchu

Accountants:

Fu Wenfang

February 23, 2023

Champion Microelectronic Corp.
Parent company only Balance Sheet
December 31, 2021 and 2022

Unit: NT$ thousand

Code	Items	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets					
1100	Cash and cash equivalents	(VI).1	$258,683	17	$754,973	38
1170	Net accounts receivable	(VI).3,13	68,781	4	200,720	10
1200	Other receivables		729	0	1,429	0
1220	Income tax assets for the period		31,640	2	-	-
130x	Inventory	(VI).4	371,687	24	222,971	11
1410	Prepayments		16,352	1	10,013	0
1470	Other current assets		283	0	134	0
1476	Other financial assets - current		66,900	4	66,900	3
	Total current assets		815,055	52	1,257,140	62
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	(VI).2	957	0	957	0
1550	Investments accounted for using the equity method	(VI).5	425,340	27	409,212	21
1600	Property, plant and equipment	(VI).6	178,628	11	171,863	9
1755	Right-of-use assets	(VI).14	11,210	1	11,688	1
1780	Intangible assets	(VI).7	1,222	0	896	0
1840	Deferred income tax assets	(VI).18	60,476	4	51,553	3
1900	Other non-current assets	(VI).8/(VIII)	69,886	5	70,246	4
1915	Prepayment for equipment		-	-	7,586	0
	Total non-current assets		747,719	48	724,001	38
1xxx	Total assets		$1,562,774	100	$1,981,141	100

Code	Items	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities					
2170	Accounts payable		$25,096	2	$62,345	3
2200	Other payables		45,657	3	102,356	5
2230	Income tax liabilities for the period		-	-	56,912	3
2280	Current lease liabilities	(VI).14	467	0	458	0
2300	Other current liabilities		1,462	0	1,418	0
	Total current liabilities		72,682	5	223,489	11
	Non-current liabilities					
2570	Deferred income tax liabilities	(VI).18	7,588	0	-	-
2580	Non-current lease liabilities	(VI).14	11,063	1	11,480	1
2670	Other non-current liabilities - others		515	0	-	-
	Total non-current liabilities		19,166	1	11,480	1
2xxx	Total liabilities		91,848	6	234,969	12
31xx	Rights and interests					
3100	Share capital					
3110	Ordinary share capital	VI.10	799,866	51	799,866	40
3200	Capital surplus	VI.10	173,314	11	213,226	11
3300	Retained earnings	VI.10				
3310	Legal reserve		205,994	13	165,879	8
3320	Special reserve		39,014	3	34,466	2
3350	Undistributed earnings		289,421	19	580,986	29
	Total retained earnings		534,429	35	781,331	39
3400	Other equity interest					
3410	Exchange differences on translation of financial statements of foreign operations		(25,326)	(2)	(41,601)	(2)
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income		(2,120)	(0)	2,587	0
	Total other equity interest		(27,446)	(2)	(39,014)	(2)
3500	Treasury stock	VI.10	(9,237)	(1)	(9,237)	(0)
3xxx	Total equity		1,470,926	94	1,746,172	88
3x2x	Total liabilities and equity		$1,562,774	100	$1,981,141	100

(Notes to Parent Company Only Financial Statements)

Chairman: Fang Minzong Manager: Lin Baowei Accounting Supervisor: Zhang Liru

Champion Microelectronic Corp.
Parent company only Consolidated Income Sheet
January 01 to December 31, 2022 and 2021

Unit: NT$ thousand

Code	Items	Notes	2022 Amount	%	2021 Amount	%
4000	Operating income	(VI).12/(VII)	$532,754	100	$1,228,406	100
5000	Operating costs	(VI).4,15	(266,939)	(50)	(544,258)	(44)
5900	Gross profit		265,815	50	684,148	56
5910	Unrealized gains or losses on sales		-	-	140	0
5950	Net operating profit		265,815	50	684,288	56
6000	Operating expenses	(VI).13,15				
6100	Marketing fees		(11,003)	(2)	(16,033)	(1)
6200	Administrative expenses		(37,803)	(7)	(49,325)	(4)
6300	Research and development expenses		(140,058)	(27)	(164,147)	(13)
	Total operating expenses		(188,864)	(36)	(229,505)	(18)
6900	Operating profit (loss)		76,951	14	454,783	38
7000	Non-operating income and expenses					
7100	Interest income		3,426	1	2549	0
7010	Other income		2320	1	2950	0
7020	Other gains and losses		37,231	7	11	0
7050	Financial costs		(181)	0	(186)	(0)
7070	Share of profits and losses of subsidiaries, affiliates and joint ventures recognized under the equity method	(VI).5	4,560	1	14,149	1
	Total non-operating income and expenses	(VI).16	47,356	10	19,473	1
7900	Net profit before tax		124,307	23	474,256	39
7950	Income tax (expense)	(VI).18	(12,003)	(3)	(73,104)	(6)
8000	Net profit of going concern operations for the period		112,304	21	401,152	33
8200	Net profit for the period		112,304	21	401,152	33
8300	Other comprehensive profit and loss	(VI).17				
8310	Items not reclassified to profit or loss					
8316	Unrealized valuation gains or losses on investments in equity instruments at fair value through other comprehensive income or loss		(4,707)	(1)	(291)	(0)
8360	Items reclassified to profit or loss in the future					-
8361	Exchange differences on translation of financial statements of foreign operations		16,275	4	(4,257)	(0)
	Other comprehensive profit and loss (net after tax) for the period		11,568	2	(4,548)	(0)
8500	Other comprehensive profit and loss for the period		$123,872	23	$396,604	33
	Earnings per share (NT$)	(VI).19				
9750	Basic earnings per share		$1.41		$5.03	
9850	Diluted earnings per share		$1.40		$4.98	

(Notes to Parent Company Only Financial Statements)

Chairman: Fang Minzong Manager: Lin Baowei Accounting Supervisor: Zhang Liru

Champion Microelectronic Corp.
Parent company only Statement of Changes in Equity
January 01 to December 31, 2022 and 2021

Unit: NT$ thousand

Code	Items	Share capital		Retained earnings			Other equity items			
		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Treasury stock	Total equity
Code		3110	3200	3310	3320	3350	3410	3420	3500	31xx
A1	Balance as of January 1, 2021	$727,390	$292,224	$141,904	$31,869	$416,586	($37,344)	$2,878	($14,905)	$1,560,602
	Appropriation and distribution of earnings for the year 2020									
B1	Legal reserve appropriated	-	-	23,975	-	(23,975)	-	-	-	-
B3	Special reserve appropriated	-	-	-	2,597	(2,597)	-	-	-	-
B5	Cash dividends on common stock	-	-	-	-	(137,704)	-	-	-	(137,704)
B9	Dividends on common stock	72,476	-	-	-	(72,476)	-	-	-	-
C15	Distribution of cash dividends from capital reserves	-	(79,724)	-	-	-	-	-	-	(79,724)
D1	Net profit from January 1st to December 31st, 2021	-	-	-	-	401,152	-	-	-	401,152
D3	Other comprehensive income from January 1 to December 31, 2021	-	-	-	-	-	(4,257)	(291)	-	(4,548)
D5	Total comprehensive income from January 1 to December 31, 2021	-	-	-	-	401,152	(4,257)	(291)	-	396,604
L1	Repurchase of treasury stock									
	Transfer of treasury stocks to employees	-	726	-	-	-	-	-	5,668	6,394
Z1	Balance as of December 31, 2021	$799,866	$213,226	$165,879	$34,466	$580,986	($41,601)	$2,587	($9,237)	$1,746,172
A1	Balance as of January 1, 2022	$799,866	$213,226	$165,879	$34,466	$580,986	($41,601)	$2,587	($9,237)	$1,746,172
	Appropriation and distribution of earnings for the year 2021									
B1	Legal reserve appropriated	-	-	40,115	-	(40,115)	-	-	-	-
B3	Special reserve appropriated	-	-	-	4,548	(4,548)	-	-	-	-
B5	Cash dividends on common stock	-	-	-	-	(359,206)	-	-	-	(359,206)
C15	Distribution of cash dividends from capital reserves	-	(39,912)	-	-	-	-	-	-	(39,912)
D1	Net profit from January 1st to December 31st, 2022	-	-	-	-	112,304	-	-	-	112,304
D3	Other comprehensive income from January 1 to December 31, 2022	-	-	-	-	-	16,275	(4,707)	-	11,568
D5	Total comprehensive income from January 1 to December 31, 2022	-	-	-	-	112,304	16,275	(4,707)	-	123,872
N1	Share-based payment transactions	-	-	-	-	-	-	-	-	-
Z1	Balance as of December 31, 2022	$799,866	$173,314	$205,994	$39,014	$289,421	($25,326)	($2,120)	($9,237)	$1,470,926

(Notes to Parent Company Only Financial Statements)

Chairman: Fang Minzong　　Manager: Lin Baowei　　Accounting Supervisor: Zhang Lir

Champion Microelectronic Corp.
Parent company only Cash Flow Statement
January 01 to December 31, 2022 and 2021

Unit: NT$ thousand

Code	Items	2022 Amount	2021 Amount
	Cash flow from operating activities:		
A10000	Net profit before tax for the period	$124,307	$474,256
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	19,803	20,405
A20200	Amortization	459	342
A20900	Interest expense	181	186
A21200	Interest income	(3,426)	(2,549)
A21900	Share-based compensation cost	-	726
A22300	Share of losses of subsidiaries, affiliates and joint ventures recognized under the equity method	(4,560)	(14,149)
A22600	Property, plant and equipment transferred to expenses	929	-
A29900	Other adjustments	1,116	7,016
A20010	Adjustments to reconcile profit (loss)	14,502	11,977
A30000	Changes in assets/liabilities related to operating activities:		
A31000	Net changes in assets related to operating activities		
A31150	Decrease (increase) in accounts receivable	131,939	(10,285)
A31160	Decrease in accounts receivable - related parties	-	4,715
A31180	Decrease (increase) in other receivables	786	(90)
A31200	(Increase) in inventories	(149,832)	(42,306)
A31230	(Increase) in prepayments	(6,339)	(1,485)
A31240	(Increase) decrease in other current assets	(149)	126
A32000	Net change in liabilities related to operating activities		
A32125	(Decrease) in contractual liabilities	-	(6)
A32150	(Decrease) in accounts payable	(37,249)	(39,699)
A32180	Increase (decrease) in other payables	(57,008)	21,475
A32230	Increase (decrease) in other current liabilities	44	(34)
A30000	Total net changes in assets and liabilities related to operating activities	(117,808)	(67,589)
A33000	Cash inflow generated from operations	21,001	418,644
A33100	Interest received	3,340	2,604
A33300	Interest paid	(5)	(4)
A33500	Income tax paid	(101,890)	(36,482)
AAAA	Net cash (outflow) from operating activities	(77,554)	384,762
	Cash flow from (used in) operating activities:		
B02700	Acquisition of property, plant and equipment	(19,072)	(36,091)
B03700	Increase in refundable deposits	-	10
B04500	Acquisition of intangible assets	(785)	-
B06600	Decrease in other financial assets	-	399,760
B06800	Decrease in other non-current assets	360	38,758
B07100	Increase in prepayments for equipment	-	(2,769)
BBBB	Net cash (outflow) inflow from investing activities	(19,497)	399,668
	Cash flow from financing activities:		
C03000	Increase in guarantee deposits received	-	(458)
C04020	Payments of lease liabilities	(636)	(634)
C04300	Increase in other non-current liabilities	515	-
C04500	Cash dividends paid	(399,118)	(217,428)
C05100	Treasury stocks purchased by employees	-	5,668
CCCC	Net cash flows used in financing activities	(399,239)	(212,852)
DDDD	Effect of exchange rate changes on cash and cash equivalents	-	(7,156)
EEEE	Increase (decrease) in cash and cash equivalents for the period	(496,290)	564,422
E00100	Cash and cash equivalents at beginning of period	754,973	190,551
E00200	Cash and cash equivalents at end of period	$258,683	$754,973

(Notes to Parent Company Only Financial Statements)

Chairman: Fang Minzong   Manager: Lin Baowei   Accounting Supervisor: Zhang Liru

Exhibit 5: 2022 Statement of Earnings Allocation

Champion Microelectronic Corp.
2022 Statement of Earnings Allocation

Unit: NT$

Item	Amount
Opening undistributed earnings	177,117,017
Add: net income after tax for 2022	112,303,539
Less: 10% legal surplus reserves recognized	(11,230,354)
Add: reversal of special surplus reserves	11,568,140
Earnings available for distribution	289,758,342
Allocation items	
Cash dividends to shareholders (NT$1 per share)	(79,823,590)
Ending undistributed earnings	209,934,752

Note 1: Approved by the Sixth Meeting of the Ninth-term Board of Directors on February 23, 2023. The number of issued shares is 79,986,590; after deducting 163,000 shares that have been bought back by employees but have not yet transferred to them, the number of outstanding shares is 79,823,590.

Note 2. In the event that the dividend distribution rate is adjusted due to changes in the number of outstanding shares as a result of share repurchases, transfer of treasury stock to employees, or other reasons, the Chairman of the Board of Directors is authorized to change the dividend distribution rate.

Note 3. Cash dividends paid to shareholders are calculated by rounding down to NT$1; the fractional amounts are aggregated and recorded as the Company’s other income.

Chairman: FANG, MIN-ZONG General Manager: LIN, BAO-WEI Accounting Supervisor: ZHANG, LI-RU

Exhibit 6: Comparison Table of Amendments to Articles of Association

Champion Microelectronic Corp.
Comparison Table of Amendments to Articles of Association

Proposed amendments	Current provisions	Description
Article 9 Shareholders' meetings are divided into regular meetings and extraordinary meetings. Regular meetings are held once a year by the board of directors within six months after the end of the fiscal year in accordance with the law. Extraordinary shareholders' meeting are convened according to law when necessary. The company's shareholders' meetings may be held by video conference or other means announced by the central competent authority.	Article 9 The shareholders' meeting of the Company is divided into the following two types: 1. Regular shareholders' meeting: held at least once a year. The regular shareholders' meeting is held by the board of directors within 6 months at the end of each fiscal year. However, the time limit is not applicable to the meeting that is approved by the competent authority for a justifiable reason. 2. Extraordinary shareholders' meeting: convened according to law when necessary.	In accordance with the Company Act, to amend the articles of associations, the company's shareholders' meetings may be held by video conference or other means announced by the central competent authority.
Article 30 These Articles of Association were made on December 17, 1998. (Omitted) The 17th amendment was made on June 1, 2021. The 18th amendment was made on May 27, 2022. The 19th amendment was made on June 26, 2023.	Article 30 These Articles of Association were made on December 17, 1998. (Omitted) The 17th amendment was made on July 1, 2021. The 18th amendment was made on May 27, 2022.	Added the number and date of the amendment.

Exhibit 7: Comparison Table of Amendments to the Rules of Procedures for shareholders' meetings

Champion Microelectronic Corp.
Comparison Table of Amendments to the Rules of Procedures for shareholders' meetings

Proposed amendments	Current provisions	Description
(Name of Measure) Rules of Procedure for Shareholders' Meeting	(Name of Measure) Rules of Procedure for Shareholders' Meeting	The name of measure may be revised in writing.
Article 1 To establish an excellent governance system, complete a sound supervisory function and strengthen the management mechanism, the Company, in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, formulated the Rules.	Article 1 ☐ Purpose: The Company's shareholders' meetings shall be conducted in accordance with the Rules, unless otherwise provided by law.	The legal basis for formulating these rules.
Article 2 The Company's Rules of Procedure for the shareholders' meeting, except as otherwise provided by law, regulation, or the Articles of Association, shall be applied.	Article 2 ☐ Attending Shareholders: The term "shareholders" in these rules refers to the shareholders themselves and the shareholders' proxies.	To establish an excellent governance system and complete a sound supervisory function and strengthen the management mechanism, the provision is amended comprehensively.
Article 3 Unless otherwise provided by regulations, the shareholders' meeting is convened by the Board of Directors. The Company shall convene a shareholders' meeting by video conference by a resolution of the meeting of the Board of Directors attended by at least two-thirds of the directors present. Except as otherwise provided in the Standards for the Handling of Shares of Public Offering Companies, convening a shareholders' meeting shall be specified in the Articles of association. Changes to the method of convening the shareholders' meeting of the Company shall be subject to the	Article 3 ☐ Attendance sign-in: Shareholders (or proxies) attending the Shareholders' Meeting should complete the procedures for reporting to the meeting by signing in the signature book or submitting the attendance card in lieu of signing in.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.

Proposed amendments	Current provisions	Description
resolution of the board of directors. And at the latest before the notice of the shareholders' meeting is dispatched. Thirty days before the Company convenes a regular shareholders' meeting or 15 days before a special shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. However, if the Company's paid-in capital exceeds NT$10 billion at the end of the most recent fiscal year, or the Company convened an ordinary shareholders' meeting in the most recent fiscal year, If the total shareholding ratio of foreign capital and Mainland capital recorded in the shareholder register is more than 30%, the electronic file shall be transmitted 30 days before the ordinary shareholders' meeting. Fifteen days before the Company is to convene a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent.		

Proposed amendments	Current provisions	Description
The procedure manual and meeting supplementary materials mentioned in the preceding paragraph shall be provided to shareholders for reference by the Company on the day of the shareholders' meeting in the following ways: 1. When a physical shareholders' meeting is held, it should be distributed on the spot of the shareholders' meeting. 2. When a video-assisted shareholders' meeting is held, it shall be distributed on the spot of the shareholders' meeting and sent to the video-conferencing platform as an electronic file. 3. When holding a video conference of shareholders, the electronic file shall be transmitted to the video conference platform. The notice and announcement shall specify the reason for the convening. If the counterparty approves the notice, it may be done electronically. For appointment or dismissal of directors, change of Articles of Association, capital reduction, application for suspension of public offerings, directors' competition license, a capital increase from surplus, a capital increase from public reserves, Company dissolution, merger, demerger, or the matters in the first paragraph of Article 185 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the main content should be listed and explained in the reason for convening. Provisional motions shall not be allowed for the proposal. The reasons for the convening of the shareholders' meeting have been stated for the full re-election of		

Proposed amendments	Current provisions	Description
directors and appointment date. After the shareholders' re-election is completed, the same meeting shall not change the appointment date by extraordinary motion or other means. Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the Company's ordinary shareholders' meeting. The number of proposals is limited to one. Additional proposals shall not be included in the agenda. When any of the circumstances provided in Paragraph 4, Article 172-1 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 an annual General Meeting of Shareholders is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method in written or electronic, and the location and time period for their submission; the period for acceptance 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 annual General Meeting of Shareholders and take part in discussion of the proposal. The Company shall, prior to the delivery of the shareholders' meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders' meeting, the Board of Directors shall explain the reasons		

Proposed amendments	Current provisions	Description
for exclusion of any shareholder proposals not included in the agenda.		
Article 4 Shareholders may appoint a proxy to attend the shareholders' meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy. A shareholder may only execute one letter of appointment, appoint one proxy only, and submit such a letter of appointment to the Company no later than 5 days before the shareholders' meeting. If two or more letters of appointment are received from the same shareholder, the first one received by the Company shall prevail. Provided that this does not apply to a declaration made to cancel the previous proxy appointment. After the letter of appointment is submitted to the Company, in case the shareholder issuing the said letter of appointment intends to attend the shareholders' meeting in person or to exercise his/her voting rights in writing or electronically, a proxy rescission notice shall be filed with the Company 2 days in writing prior to the date of the shareholders' meeting; otherwise, the voting rights exercised by the proxy at the meeting shall prevail. After the letter of appointment is submitted to the Company, in case the shareholders want to attend the shareholders' meeting by video, a proxy rescission notice shall be filed with the Company 2 days in writing prior to the date of the shareholders' meeting; otherwise, the voting rights exercised by the proxy at the meeting shall prevail.	Article 4 ☐ Attendance quorum: The chairman shall call the commencement of the meeting at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman 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 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 Paragraph 1, Article 175 of the Company Act. When, prior to termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may submit the tentative resolution for a vote to the shareholders' meeting pursuant to Article 174 of the Company Act.	To establish an excellent governance system and complete a sound supervisory function and strengthen the management mechanism, the provision is amended comprehensively.
Article 5 (Principles of the place and time of the shareholders' meeting) The venue where a shareholder meeting is to be held shall be in the premises of the Company or a location easy for shareholders to	Article 5 ☐ Agenda arrangement: If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be	To establish an excellent governance system and complete a sound supervisory function and strengthen the

Proposed amendments	Current provisions	Description
access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent Directors shall be fully taken into consideration in decision of the location and time of a shareholder meeting. When the Company convenes a video-conference shareholders' meeting, it is not subject to the restriction on the venue of the preceding paragraph.	changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply to a shareholders' meeting convened by a party with the power to convene that is the member of the Board of Directors. The chairman shall not adjourn the meeting without a resolution before the conclusion of the first two scheduled agenda items (including the ad hoc motion). After the meeting is adjourned, the shareholders may not elect another chairman to continue the meeting at the original location or another venue; however, if the chairman announces the adjournment of the meeting in violation of the rules of procedure, a majority of the shareholders present may vote to elect a chairman to continue the meeting.	management mechanism, the provision is amended comprehensively. It is expressly provided that convening a video shareholders' meeting by the Company is not subject to the place of the meeting.
(Deleted)	Article 5-1 - Notice of convening and meeting of the shareholders' meeting Thirty days before the Company convenes a regular shareholders' meeting or 15 days before a special shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, supervisors and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. Fifteen days before the Company is	Amendment to amended Article 3

Proposed amendments	Current provisions	Description
	to convene a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the meeting.	
Article 6 (Preparation of signature books and other documents) The Company shall specify in its meeting notices, for the shareholders, solicitors, entrusted agents (hereinafter referred to as shareholders), the time during which shareholder registrations will be accepted, the place to register for attendance, and other matters for attention. The registration time described in the preceding paragraph shall be at least 30 minutes before the meeting begins. The registration counter shall be precisely indicated and enough competent personnel shall be assigned to help shareholders register.For the video conference of the shareholders' meeting, registration should be accepted on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.Shareholders shall attend shareholders' meetings with attendance cards, attendance sign-in cards, or other certificates of attendance, the Company shall not arbitrarily add other supporting documents to the supporting documents relied on by shareholders to attend. Solicitors soliciting letters of appointment shall also bring identification documents for verification.Shareholders shall attend shareholders' meetings with	Article 6 □ Break time: A break in the meeting may be announced at the discretion of the chairman. If a meeting cannot resolve the issues, the meeting may be postponed for less than five days or renewed by resolution of the shareholders' meeting, without notice and announcement.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.

Proposed amendments	Current provisions	Description
attendance cards, attendance sign-in cards, or other certificates of attendance. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials, ｗhere there is an election of Directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference should register with the Company two days before the shareholders' meeting. If the shareholders' meeting is held by video conference, the Company shall upload the procedure Handbook, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.		
Article 6-1 When the Company holds a video conference of the shareholders' meeting, the following matters shall be stated in the notice of convening the shareholders' meeting: 1. Shareholders' participation in video conferences and methods for exercising their rights. 2. The handling of obstacles to the video conference platform or participation in video conferences due to natural disasters, incidents or other force majeure events, including at least the following:	(Added)	To comply with the requirements of the Company Act on public offerings, the board of directors intends to hold the shareholders' meeting via video conference to amend the Company's Articles of Association.

Proposed amendments	Current provisions	Description
(1) The time when the pre-occupational obstacle cannot be ruled out and the meeting needs to be postponed or resumed, and the date when the meeting needs to be postponed or resumed. (2) Shareholders who have not registered to participate in the original shareholders' meeting by video conferencing shall not participate in the extension or continuation of the meeting. (3) To hold a video-assisted shareholders' meeting, if the video conference cannot be continued, after deducting the number of shares attending the shareholders' meeting by video, the total number of shares attending the shareholders' meeting reaches the statutory quota for the shareholders' meeting, and the shareholders' meeting should continue. Shareholders who participate by video conference, the number of shares attended shall be included in the total number of shareholder shares present, and all resolutions of the shareholders' meeting shall be deemed as abstentions. (4) In the event that all the motions have been announced, but no provisional motion has been made, the handling method. 3. To convene a video conference of shareholders, and to specify appropriate alternatives to shareholders who have difficulty participating in shareholders by		

Proposed amendments	Current provisions	Description
video. Except for the cases specified in Article 44-9, Paragraph 6 of the Standards for the Handling of Shares of Public Offering Companies, the Company shall, at a minimum, provide shareholders with access to facilities and necessary assistance, and set forth the period during which shareholders may apply to the Company and other relevant matters to be noted.		
Article 7 (Chairman of the shareholders' meeting and non-voting members): When a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case the Chairman is on leave or for any reason unable to exercise his powers, the vice Chairman shall act in place of the Chairman. If there is no vice Chairman or the vice Chairman is also on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the managing Directors to act as the chair, or if managing Directors have not been appointed, one of the Directors shall be appointed to act as the chair. Where the Chairman does not make such appointment, the managing Directors or the Directors shall elect one person from among themselves to serve as chair. The chairman referred to in the preceding paragraph shall be the executive director or a director proxy who has served for more than six months and understands the company's financial and business conditions. The same applies if the chairman is the representative of the corporate director. If the shareholders' meeting is held by the board of directors, it shall be presided over by the chairman of the board of directors in person and attended by a majority of the board of directors, at least one member of	Article 7 □ The order of speeches: Before speaking, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the attendance card number) and account name. The sequence of speeches shall be determined by the chair. An attending shareholder 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. When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chair and the shareholder who has the floor, the chair shall stop any violation.	To establish an excellent governance system and complete a sound supervisory function and strengthen the management mechanism, the provision is amended comprehensively.

Proposed amendments	Current provisions	Description
the audit committee member in person, and at least one member of each functional committee. Their attendance shall be recorded in the minutes of the shareholders' meetings. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders' meeting with a non-voting capacity.		
Article 8 (Record of audio or video recording of shareholders' meetings) The Company shall continuously and uninterruptedly record and video tape the whole process of reporting, meeting and vote counting of the shareholders from their registration. The audio and video data mentioned in the preceding paragraph should be kept 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 termination of the litigation. If the shareholders' meeting is held by video conference, the Company shall keep records of shareholders' registration, registration, registration, questioning, voting and the Company's vote counting results, etc. The video conference will be recorded and recorded continuously without interruption. The information and audio and video recordings mentioned in the preceding paragraph shall be properly preserved by the Company during the period of existence. The audio and video recordings shall be provided to those who are entrusted	Article 8 □ Speaking time: Each attending shareholder shall make no more than two speeches for each motion unless otherwise consented by the chairman. If an attending shareholder speaks in violation of the foregoing or outside the scope of the motion, or in a disorderly manner, the chairman may stop or suspend his or her speech, and other shareholders may request the chairman to do so.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.

Proposed amendments	Current provisions	Description
to handle video conference affairs for preservation. If the shareholders' meeting is held by video conference, the Company should record and record the background operation interface of the video conference platform.		
Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the signature book or sign-in cards handed, the number of shares registered on the video conference platform, and the number of shares of voting rights are exercised in writing or electronically. The chairman shall call the meeting to order at the appointed meeting time. At the same time, relevant information such as the number of non-voting rights and the number of shares present shall be announced. 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 shareholders' meeting is held by video conference, the company shall also announce the streaming meeting on the video conference platform of the shareholders' meeting. 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	Article 9 □ Conclusion of discussion: When the chairman thinks that a proposal has been discussed sufficiently to put it to a vote, he/she shall announce to cease discussion and put the issue to the vote.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.

Proposed amendments	Current provisions	Description
resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall re-register with the company in accordance with Article 6. When, prior to termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may submit the tentative resolution for a vote to the shareholders' meeting pursuant to Article 174 of the Company Act.		
Article 10 If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. The relevant motions (including provisional motions and amendments to original motions) shall be voted on a case-by-case basis. 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 to a shareholders' meeting convened by a party with the power to convene that is the member of 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 extempore 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 according to statutory procedures, by agreement of a	Article 10 □ Voting on motions: Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation or other relevant laws and regulations, a motion shall be approved by the affirmative vote of a majority of the votes of the attending shareholders. After consultation by the chairman, if there is no objection to the voting, the motion is deemed to be approved and has the same effect as being approved by voting. Each shareholder has one vote per share. However, the shares held by the Company have no vote right. A shareholder may appoint a proxy to attend a shareholders' meeting. Except for a stock agency approved by a trusted enterprise or the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. The excess voting rights shall not be counted.	To establish an excellent governance system and complete a sound supervisory function and strengthen the management mechanism, the provision is amended comprehensively.

Proposed amendments	Current provisions	Description
majority of the votes represented by the attending shareholders, and then continue the meeting. The chair shall allow ample opportunities for explanation and discussion of proposals of amendments or extempore 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 and arrange an adequate voting time.		
Article 11 (Shareholders' speeches) Before speaking, the attending shareholder shall complete the speaker’s slip indicating the subject of speech, shareholder’s account number (or the attendance card number） and account name. The sequence of speeches shall be determined 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. Each attending shareholder shall make no more than two speeches for each motion, and each speech shall not exceed 5 minutes unless otherwise consented by the chair. The chair shall retain all rights to stop any speech if the shareholder's speech violates the aforementioned principle or is outside the scope of the topic. When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chair and the shareholder who has the floor, the chair shall stop any violation. When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on the same proposal.	Article 11 □ Voting restrictions: When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders’ meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.

Proposed amendments	Current provisions	Description
After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. If the shareholders' meeting is held by video conference, shareholders participating by video conference may ask questions in text on the video conference platform of the shareholders' meeting after the chairman announces the meeting and before the announcement of the adjournment of the meeting. The number of questions asked for each proposal shall not exceed two times, each time shall be limited to 200 words, and the provisions of items 1 to 5 shall not apply. If the question mentioned in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, it is advisable to expose the question on the video conference platform of the shareholders' meeting for public knowledge.		
Article 12 (Calculation of voting shares and recusal system) Voting at a shareholders' meeting shall be calculated based the number of shares. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the	Article 12 ☐ Basis of calculation: Attendance and voting at a shareholders' meeting shall be calculated based the number of shares.	To establish an excellent governance system and complete a sound supervisory function and strengthen the management mechanism, the provision is amended comprehensively.

Proposed amendments	Current provisions	Description
voting rights represented by attending shareholders. Except for a stock agency approved by a trusted enterprise or the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. The excess voting rights shall not be counted.		
Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act. When the Company holds a shareholders' meeting, it shall allow the shareholders to exercise voting rights in writing or electronically. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person. But will be deemed to have waived his/her rights with respect to the extempore motions and revisions to the original proposals of that meeting. Therefore, the Company is advised to refrain from proposing the provisional motion and the amendment to the original motion. A shareholder intending to exercise voting rights in writing or electronically under the preceding paragraph shall deliver a written declaration of intent to the Company 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 in writing or electronically, in the event the	Article 13 □ Convening place: The venue where a shareholder meeting is to be held shall be in the county or city where the Company is located or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.

Proposed amendments	Current provisions	Description
shareholder intends to attend the shareholders' meeting in person or by video, he/she shall use the same mean by which the voting rights were exercised to retract the voting rights already exercised under the preceding paragraph 2 days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or electronically shall prevail. When a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholders' meeting by the letter of appointment, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's Articles of Association, 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 voting, the chairman or his designee shall announce the total number of votes of shareholders present on a case-by-case basis, and then the shareholders shall vote on a case-by-case basis. After the shareholders' meeting is held, the results of shareholders' approval, opposition, and abstention shall be entered into the Market Observation Post System. When there is an amendment or an alternative to the same 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		

Proposed amendments	Current provisions	Description
chair, provided that all monitoring personnel shall be shareholders of the Company. The counting of votes for a shareholders' meeting or an election proposal shall be conducted in public in the venue of the shareholders' meeting, and the voting results, including the number of votes counted, shall be announced and recorded on the spot after the counting of votes is completed. The Company convened a video conference of the shareholders' meeting. Shareholders who participated in the video conference should vote on various resolutions and election resolutions through the video conference platform after the chairman announced the meeting. And it should be completed before the chairman announces the close of voting. Those who exceed the time will be deemed to abstain. If the shareholders' meeting is held by video conference, the votes shall be counted in one go after the chairman announces the close of voting, and announce the voting and election results.If the shareholders' meeting is held by video conference, the votes shall be counted in one go after the chairman announces the close of voting, and announce the voting and election results. When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video-conference in accordance with the provisions of Article 6, who wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration two days before the shareholders' meeting; Those who cancel within the time limit can only attend the shareholders' meeting by video conferencing. Those who exercise their voting		

Proposed amendments	Current provisions	Description
rights in writing or electronically without revoking their intentions and participate in the shareholders' meeting by video conferencing shall not exercise their voting rights on the original proposal or propose amendments to the original proposal or exercise the voting rights for amendments to the original proposal, except for temporary motions.		
Article 14 The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules of the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of voting rights 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 termination of the litigation.	Article 14 ☐ Chairman of the meeting: When a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case the Chairman is on leave or for any reason unable to exercise his powers, the vice Chairman shall act in place of the Chairman. If there is no vice Chairman or the vice Chairman is also on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the managing Directors to act as the chair, or if managing Directors have not been appointed, one of the Directors shall be appointed to act as the chair. Where the Chairman does not make such appointment, the managing Directors or the Directors shall elect one person from among themselves to serve as chair. 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. If there are two or more convening parties, one shall be elected from among themselves.	To establish an excellent governance system and complete a sound supervisory function and strengthen the management mechanism, the provision is amended comprehensively.
Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. Electronic measures may be adopted	Article 15 ☐ Other attendees: The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders' meeting with a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by

Proposed amendments	Current provisions	Description
to print and distribute meeting minutes. Electronic measures may be adopted to print and distribute meeting minutes. Distribution of the meeting minutes as described in the preceding paragraph may be uploaded by the Company to the Market Observation Post System. Proceedings should exactly record the year, month, day, place, name of the Chairman, resolution method, the essentials of the deliberations, and voting results (including statistical weights.) When electing directors and supervisors, the number of votes each candidate has should be disclosed. It shall be retained for the duration of the existence of the Company. If the shareholders' meeting is held by video conference, the minutes of the shareholders' meeting shall record the start and end time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the record, and the name of the chairman of the shareholders' meeting, as well as the events caused by natural disasters, incidents or other force majeure. The handling method and handling situation when an obstacle occurs to the video conferencing platform or participation by video conferencing. In addition to complying with the provisions of the preceding paragraph when convening a video conference of shareholders, the Company shall also specify in the minutes of the meeting the alternative measures provided by shareholders who have difficulty participating in video conference.		video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.
Article 16 (Announcement to the Public) On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares	Article 16 □ Voting on amendments or substitutions to the same proposal: When there is an amendment or an alternative to the same proposal, the chairman shall decide the order in which they will be put to a vote.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the

Proposed amendments	Current provisions	Description
obtained by solicitors in writing or electronically through solicitation and the number of shares represented by proxies and the number of shares attended by shareholders, and shall make an express disclosure of the same at the place of the shareholders' meeting. If the shareholders' meeting is held by video conference, the Company shall upload the above-mentioned materials to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting. The Company holds a video conference of the shareholders' meeting. When announcing the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting are otherwise counted during the meeting. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.	When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.	management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.
Article 17 (Maintenance of venue order) Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands. The chair may direct the inspectors or security personnel to help maintain order at the meeting place. When inspectors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "inspector." At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than	Article 17 □ Corporate shareholders: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on the same proposal.	To establish an excellent governance system and complete a sound supervisory function and strengthen the management mechanism, the provision is amended comprehensively.

Proposed amendments	Current provisions	Description
equipment set up by the Company, the chair may prevent the shareholder from doing the same. When a shareholder violates the rules of procedure, defies the chair's correction, obstructs the proceedings and refuses to heed order to stop, the chair may direct the inspectors or security personnel to escort the shareholder from the meeting.		
Article 18 (Recess and continuation) 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 continuous use and not all of the items (including extempore 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 18 ☐ Answers to questions: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.	To establish an excellent governance system and complete a sound supervisory function and strengthen the management mechanism, the provision is amended comprehensively.
Article 19 (Disclosure of information for video conferences) If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with the regulations. And it should continue to expose for at least fifteen minutes after the chairman announces the dismissal of the meeting.	Article 19 ☐ Video archiving: The Company shall record the shareholders' meetings by audio or video and keep the recording 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 termination of the litigation.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.

Proposed amendments	Current provisions	Description
Article 20 (Location of the chairman of the video shareholder meeting and the recorder) When the Company holds a video-video shareholders' meeting, the chairman and the recorder shall be in the same place in China. The chairman shall announce the address of the place at the meeting.	Article 20 ☐ Voting results: 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 the Company. The results of the voting shall be reported on the spot and recorded.	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.
Article 21 (Handling of disconnection) If the shareholders' meeting is held by video conference, the Company may provide a simple connection test for shareholders before the meeting, and provide relevant services immediately before the meeting and during the meeting to assist in handling technical problems of communication. If the shareholders' meeting is held by video conference, the chairman shall, when announcing the meeting, separately announce that there is no need for extension or continuation of the meeting, except for the circumstances stipulated in Paragraph 4, Article 44-20 of the Share Handling Standards for Public Offering Companies. Before the chairman announces the dismissal of the meeting, due to natural disasters, incidents or other force majeure events, the video conference platform is blocked or the participation by video is blocked for more than 30 minutes. The provisions of Article 182 of the Company Act shall not apply. In the event of the occurrence of the	Article 21 ☐ Maintenance of order: The chairman may direct the inspectors or security personnel to help maintain order at the meeting place. When inspectors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "inspector."	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering company and the provisions are amended comprehensively.

Proposed amendments	Current provisions	Description
preceding paragraph, the meeting shall be postponed or renewed. Shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponed or resumed meeting. In accordance with the provisions of Paragraph 2, the meeting should be postponed or continued. Shareholders who have registered to participate in the original shareholders' meeting by video and have completed the registration, but who do not participate in the postponed or continued meeting, the number of shares attended at the original shareholders' meeting, the voting rights exercised and Voting rights shall be included in the total number of shares, voting rights and voting rights of shareholders present at the adjourned or continued meeting. In accordance with the provisions of Paragraph 2, when the shareholders' meeting is postponed or reconvened, the voting and counting of votes have been completed, and the voting results or the list of elected directors shall be announced. There is no need to proceed with discussions and resolutions. The Company convened a video-assisted shareholders' meeting, and when the second paragraph cannot be continued, if the total number of shares attended by video conference still reaches the statutory quota for the shareholders' meeting after deducting the number of shares attended by video-conferencing, the shareholders' meeting shall continue. conduct, There is no need to postpone or renew the assembly in accordance with the second paragraph. In the event that the meeting should be continued in the preceding		

Proposed amendments	Current provisions	Description
paragraph, the shareholders who participate in the shareholders' meeting by video, the number of shares attended shall be included in the total number of shares of the shareholders present. However, all the resolutions of the shareholders' meeting shall be regarded as abstention. The Company shall postpone or renew the meeting in accordance with the provisions of Paragraph 2, and shall comply with the provisions set out in Paragraph 7 of Article 44-20 of the Standards for the Handling of Shares of Public Offering Companies. Relevant preparatory work shall be handled according to the date of the original shareholders' meeting and the provisions of this article. The following rules are adopted for public companies to attend shareholders' meetings, including the latter paragraph of Article 12 and Article 13 Paragraph 3 of the Power of Attorney Rules, and the period specified in Article 44-5 Paragraph 2, Article 14-15 and Article 44-17 Paragraph 1 of the Public Company's Share Handling Guidelines, the Company shall postpone or renew the date of the shareholders' meeting in accordance with the provisions of Paragraph 2.		
Article 22 When the Company convenes a video conference of shareholders, and to specify appropriate alternatives to shareholders who have difficulty participating in shareholders by video. Except for the cases specified in Article 44-9, Paragraph 6 of the Standards for the Handling of Shares of Public Offering Companies, the Company shall, at a minimum, provide shareholders with access to facilities and necessary assistance, and set forth the period during which	Article 22 □ Suspension of meeting: 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 continuous use and not all of the items (including extempore 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	To establish an excellent governance system, complete a sound supervisory function, and strengthen the management mechanism, the shareholders' meeting should be held by video conference in accordance with the provisions of the Company Act on the public offering

Proposed amendments	Current provisions	Description
shareholders may apply to the Company and other relevant matters to be noted.	defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.	company and the provisions are amended comprehensively.
Article 23 The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders' meetings.	Article 23 □ By-laws: 1. Matters not provided for in these rules shall be governed by the Company Law and other relevant laws and regulations and the Company's Articles of Association. 2. These measures shall be approved by the Board of Directors and shall come into force after being approved by the shareholders' meeting. The very same is true with respect to amendment to it.	Revise the text and correct repetitive words as appropriate.

Appendix 1

Champion Microelectronic Corp.
Articles of Association

Chapter 1 General Provisions

Article 1 The Company is named CHAMPION MICROELECTRONIC CORP. following the provisions of the Company Act on companies limited by shares.

Article 2 The Company's scope of business is as follows:

1. Manufacturing of CC01080 Electronic components.
2. I501010 product design.
3. F601010 intellectual property.
4. F401010 international trade.

(1) Research, development, production, manufacture and sale of the products below:

1. Power integrated circuit (Power IC)
2. Power module
3. MOSFET
4. Fast recovery diodes

(2) To provide design and technical consulting services for the above products.

(3) To engage in the import and export trade business related to the above business.

Article 3 The Company set up its headquarters in the Hsinchu Science Park. When necessary, it may set up branch offices domestically or abroad with a resolution by the Board of Directors and the approval of the competent authorities.

Chapter 2 Shares

Article 4 The Company's authorized capital is NT$1.2 billion, which is divided into 120 million shares. Each share carries a face value of NT$10, and can be issued in installments.

The capital in the first paragraph reserves the stock options in an amount of NT$90 million for employees and involves a total of 9 million shares at NT$10 each. The shares may be issued in installment with the resolution of the Board of Directors.

Article 5 The share certificates of the Company shall, without exception, be in registered form, signed by, or affixed with the seals of the director representing the Company and authenticated by the competent governmental authority upon issuance.

The Company may be exempted from printing any share certificate for the shares issued but shall appoint a centralized securities custody institution to register such shares. If the Company prints stock certificates, the Company shall comply with the provisions of the ROC Company Act and other relevant laws and regulations.

The Company restricts the rights of employees to subscribe for new shares and cash dividends to employees who meet certain criteria, such as control or subordinate employees, and authorizes the Board of Directors to determine the terms and conditions of subscription.

Article 6 (Deleted)

Article 7 Unless otherwise provided by law, the handling of the Company's stock affairs shall be governed by the Company Law and the regulations of the stock affairs guidelines promulgated by the competent authorities.

Article 8 The registration of the transfer of shares shall be made in accordance with Article 165 of the Company Act.

Chapter 3 Shareholders' Meeting

Article 9 The shareholders' meeting of the Company is divided into the following two types:

1. Regular shareholders' meeting: held at least once a year. The regular shareholders' meeting is held by the board of directors within 6 months at the end of each fiscal year. However, the time limit is not applicable to the meeting that is approved by the competent authority for a justifiable reason.
2. Extraordinary shareholders' meeting: convened according to law when necessary.

Article 10 When a shareholder is unable to attend the shareholder's meeting, he/she may appoint a proxy through a letter of appointment printed by the Company, stating the scope of authorization to the proxy. Shareholders' attendance by proxy shall be conducted in accordance with Article 177 of the Company Act, as well as meeting the requirements provided in the Regulations Governing the Use of Proxies for Attendance at Shareholder meetings of Public Companies.

Article 11 When the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall be the chairman. If the chairman asks for leave or is unable to perform his functions and duties for some reason, his/her proxy shall perform the functions and duties on his behalf in accordance with the provisions of Article 208 of the Company Act.

Article 12 The Company’s shareholder is entitled to one vote per share, unless otherwise provided by applicable law or regulation.

Article 13 Unless otherwise provided in the relevant laws and regulations of the Company Act , a resolution of the shareholders' meeting shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.

Article 13-1 When the Company revokes a public offering, it shall be done by resolution of the shareholders' meeting and this provision shall not be changed during the listing period.

Article 14 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. Electronic way may be adopted to print meeting minutes.

Announcement way may be adopted to print and distribute meeting minutes in the preceding paragraph.

Chapter 4 Directors and Audit Committee

Article 15 The Company shall have seven (7) to nine (9) directors. The election of directors is based on the nomination of candidates and the shareholders shall elect one of the candidates as a director for a term of three years and shall be eligible for re-election.

Article 15-1 In accordance with the Securities and Exchange Act, among the above-mentioned directors of the Company, the number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of directors, and shall be nominated by the shareholders from among the candidates for independent directors. The professional qualifications, shareholdings, restrictions on concurrent employment, recognition of independence, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant laws and regulations.

Article 15-2 In addition to complying with the relevant laws and regulations, the Company may purchase liability insurance for directors and key management personnel to protect shareholders' rights and interests in the performance of their duties.

Article 16 When one-third of directors are absent, a shareholders' meeting shall be held immediately to elect the director.

Article 17 When the term of office of a director expires and there is no time for re-election, the term may be extended until the re-elected director takes office.

Article 18 The directors shall organize a board of directors, and a chairman and a vice-chairman shall be elected by and from among themselves with the consent of at least two-thirds of the directors present, to execute all affairs of the Company in accordance with the Act, the Articles of Incorporation, the shareholders' meeting and the resolutions of the board of directors.

Article 18-1 The company shall set up an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all independent directors, one of whom shall be the convener, and at least one of them shall have accounting or financial expertise.

The composition, authority, rules of procedure and other matters to be followed by the Audit Committee are in accordance with the relevant regulations of the competent securities authorities.

Article 19 The company's operating policies and other important matters shall be resolved by the board of directors. Except for the first meeting of the board of directors in accordance with the provisions of Article 203 of the Company Law, the rest meeting shall be convened by one director who shall serve as the chairman. When the Chairman is unable to perform his duties, his proxy shall act in accordance with Article 208 of the Company Law.

Article 20 When the Board of Directors meets by video conference, the directors who participate in the meeting by video shall be deemed to be present in person. If a director is unable to attend the meeting for any reason, the director shall appoint another director to attend the board meeting on his or her behalf, and shall issue a letter of proxy each time, listing the scope of authority for the reason for the meeting. The proxy is limited to being entrusted by one person.

Article 20-1 The meeting of the board of directors shall be held at least once a quarter, and the reason for the meeting shall be stated and the directors shall be notified seven days in advance; however, in case of emergency, the meeting may be called at any time, and the notice of the meeting of the board meeting may be given in writing, by fax or electronically.

Article 21 The minutes of the Board of Directors' meetings shall be prepared, signed or sealed by the chairman, and distributed to the directors within 20 days after the meeting. The minutes shall indicate the year, month, date, place and results of the principal meetings held, and shall be kept at the Company together with the signature books of the directors present and the letter of proxy. Electronic measures may be adopted to print and distribute meeting minutes.

Article 22 The Board of Directors shall be authorized to pay the directors' fees and remuneration annually, regardless of profit or loss, at the usual level of the industry; if the Chairman of the Company participates in the Company's operation and executes the Company's business, the Board of Directors shall be authorized to pay the Chairman's salary and related remuneration on a monthly basis according to the industry standard. If the company has a surplus, the remuneration shall be distributed in accordance with the provisions of Article 25 of the Articles of Association.

Chapter 5 Managerial Officer

Article 23 The Company shall have a president and several vice presidents whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 24 At the close of each fiscal year, the Board of Directors shall prepare the following statements and submit for approval at the annual General Meeting of Shareholders:

1. Business report.
2. Financial statements.
3. Earning distribution or loss make-up proposal.

Article 25 The Company shall set aside not less than 5% of its annual profits as employee compensation, which shall be distributed in shares or cash by resolution of the Board of Directors, to employees who meet certain conditions for control or subordination of the Company, such conditions to be determined by the Board of Directors. The Company may set aside not more than 3% of the above-mentioned profit as remuneration to directors by resolution of the board of directors. The employee compensation and director remuneration distribution proposal should be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, the amount of compensation should be retained in advance, and then the compensation of employees and directors should be provided in proportion to the aforementioned amount.

If there is any surplus in the Company's annual accounts, after paying tax and making up for accumulated deficits, 10% shall be set aside as legal reserve, except that if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside or reversed to a special reserve in accordance with the law; if there is any unappropriated earnings, at least 10% shall be set aside as dividends to shareholders, of which not less than 10% shall be distributed as cash dividends, and the board of directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for resolution.

In accordance with Article 240 of the Company Act, the Board of Directors is authorized to distribute dividends and bonuses or all or a portion of the legal reserve and capital surplus as provided in Article 241 of the Company Act in cash by a resolution of the Board of Directors attended by at least two-thirds of the Directors present, and to report to the shareholders' meeting, for which the resolution of he shareholders' meeting in the preceding paragraph does not apply.

Chapter 7 Supplementary Provisions

Article 26 The Company shall not provide interbank guarantees to external parties, except for the Company's investees (subsidiaries) over which the Company has control.

Article 27 The total amount of the Company’s investment in other companies may exceed 40 percent of the paid-in capital. The Board is authorized for implementation.

Article 28 The articles of association and working rules of the company shall be separately formulated by the board of directors.

Article 29 Matters not specified in these Articles shall be conducted in compliance with the Company Act and relevant laws and regulations.

Article 30 These Articles of Association were made on December 17, 1998.

The 1st amendment was made on February 27, 1999.

The 2nd amendment was made on May 28, 2000.

The 3rd amendment was made on June 20, 2002.

The 4th amendment was made on June 25, 2003.

The 5th amendment was made on May 15, 2004.

The 6th amendment was made on June 30, 2006.

The 7th amendment was made on December 5, 2007.

The 8th amendment was made on April 30, 2009.

The 9th amendment was made on June 25, 2010.

The 10th amendment was made on August 26, 2010.

The 11th amendment was made on June 24, 2011.

The 12th amendment was made on June 12, 2012.

The 13th amendment was made on June 26, 2014.

The 14th amendment was made on June 20, 2016.

The 15th amendment was made on June 20, 2017.

The 16th amendment was made on June 29, 2020.

The 17th amendment was made on July 1, 2021.

The 18th amendment was made on May 27, 2022.

Appendix II

Champion Microelectronic Corp.
Rules of Procedures for shareholders' meetings

Article 1 Purpose:

The Company's shareholders' meetings shall be conducted in accordance with the Rules, unless otherwise provided by law.

Article 2 Attending shareholders:

The term "shareholders" in these rules refers to the shareholders themselves and the shareholders' proxies.

Article 3 Attendance sign-in:

Shareholders (or proxies) attending the Shareholders' Meeting should complete the procedures for reporting to the meeting by signing in the signature book or submitting the attendance card in lieu of signing in.

Article 4 Attendance quorum:

The chairman shall call the commencement of the meeting at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman 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 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 Paragraph 1, Article 175 of the Company Act.

When, prior to termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may submit the tentative resolution for a vote to the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 5 Agenda:

If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. 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 to a shareholders' meeting convened by a party with the power to convene that is the member of the Board of Directors.

The chairman shall not adjourn the meeting without a resolution before the conclusion of the first two scheduled agenda items (including the ad hoc motion).

After the meeting is adjourned, the shareholders may not elect another chairman to continue the meeting at the original location or another venue; however, if the chairman announces the adjournment of the meeting in violation of the rules of procedure, a majority of the shareholders present may vote to elect a chairman to continue the meeting.

Article 5-1 Notice of convening and meeting of the shareholders' meeting

Thirty days before the Company convenes a regular shareholders' meeting or 15 days before a special shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, supervisors and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. Fifteen days before the Company is to convene a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the meeting.

Article 6 Break time:

A break in the meeting may be announced at the discretion of the chairman. If a meeting cannot resolve the issues, the meeting may be postponed for less than five days or renewed by resolution of the shareholders' meeting, without notice and announcement.

Article 7 The order of speeches:

Before speaking, the attending shareholder shall complete the speaker’s slip indicating the subject of speech, shareholder’s account number（ or the attendance card number) and account name. The sequence of speeches shall be determined by the chair. An attending shareholder 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. When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chair and the shareholder who has the floor, the chair shall stop any violation.

Article 8 Speaking time:

Each attending shareholder shall make no more than two speeches for each motion unless otherwise consented by the chairman. If an attending shareholder speaks in violation of the foregoing or outside the scope of the motion, or in a disorderly manner, the chairman may stop or suspend his or her speech, and other shareholders may request the chairman to do so.

Article 9 Conclusion of discussion:

When the chairman thinks that a proposal has been discussed sufficiently to put it to a vote, he/she shall announce to cease discussion and put the issue to the vote.

Article 10 Voting on motions:

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation or other relevant laws and regulations, a motion shall be approved by the affirmative vote of a majority of the votes of the attending shareholders.

After consultation by the chairman, if there is no objection to the voting, the motion is deemed to be approved and has the same effect as being approved by voting. Each shareholder has one vote per share. However, the shares held by the Company have no vote right. A shareholder may appoint a proxy to attend a shareholders' meeting. Except for a stock agency approved by a trusted enterprise or the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. The excess voting rights shall not be counted.

Article 11 Voting restrictions:

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

Article 12 Calculation basis:

Attendance and voting at a shareholders' meeting shall be calculated based the number of shares.

Article 13 Convening place:

The venue where a shareholder meeting is to be held shall be in the county or city where the Company is located or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m.

Article 14 Chairman of the meeting:

When a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case the Chairman is on leave or for any reason unable to exercise his powers, the vice Chairman shall act in place of the Chairman. If there is no vice Chairman or the vice Chairman is also on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the managing Directors to act as the chair, or if managing Directors have not been appointed, one of the Directors shall be appointed to act as the chair. Where the Chairman does not make such appointment, the managing Directors or the Directors shall elect one person from among themselves to serve as chair. 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. If there are two or more convening parties, one shall be elected from among themselves.

Article 15 Other attendees:

The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders' meeting with a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Article 16 Voting when there is an amendment or a substitution to the same proposal:

When there is an amendment or an alternative to the same proposal, the chairman shall 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.

Article 17 Corporate shareholders:

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

Article 18 Answers to questions:

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

Article 19 Video archiving:

The Company shall record the shareholders' meetings by audio or video and keep the recording 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 termination of the litigation.

Article 20 Voting results:

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 the Company. The results of the voting shall be reported on the spot and recorded.

Article 21 Maintenance of order:

The chairman may direct the inspectors or security personnel to help maintain order at the meeting place. When inspectors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "inspector."

Article 22 Suspension of meeting:

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 continuous use and not all of the items (including extempore 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 23 By-laws:

1. Matters not provided for in these rules shall be governed by the Company Law and other relevant laws and regulations and the Company's Articles of Association.
2. These measures shall be approved by the Board of Directors and shall come into force after being approved by the shareholders' meeting. The very same is true with respect to amendment to it.

Appendix III

Influence of Stock Dividend on Business Performance, EPS, and Shareholder's Return on Investment:

There is no free allotment proposed at the shareholders meeting, so it is not applicable.

Appendix IV

Champion Microelectronic Corp.

Number of shares held by all directors

一、Total number of issued shares: 79,986,590 common shares (including 163,000 treasury shares)
The statutory number of shares held by all directors is 6,398,927 shares

二、As of April 28, 2013, the closing date of the general meeting of shareholders, the number of shares held by all directors is as follows:

Job title	Name	Number of Shares Held	Shareholding Ratio (%)
Chairman	PAN-JIT International Inc. Representative: FANG, MIN-ZONG	23,996,000	30.00%
Vice Chairman	Sonix Technology Co., Ltd. Representative: CAI, GAO-ZHONG	6,571,472	8.22%
Board director	PAN-JIT International Inc. Representative: CHEN, ZUO-MING	23,996,000	30.00%
Director	LIN, BAO-WEI	937,246	1.17%
Independent director	ZHAN, WEN-XIONG	0	0.00%
Independent director	FU, XIN-BIN	0	0.00%
Independent director	ZHANG, DAO-LIN	0	0.00%
Total shareholding of all directors		31,504,718	39.39%