

Taiwan Mask Corporation

Minutes for 2023 Annual General Meeting of Shareholders

Time: May 24, 2023 (Wednesday), 09:00 am

Location: No. 1, Industrial East 2nd Road, Hsinchu Science Park (Darwin Hall, 2nd Floor, Science and Technology Living Hall)

Attendance: The total number of shares represented by shareholders and proxies in attendance was 151,363,446 (including 72,127,202 shares by electronic means), representing 73.75% of the total number of 205,230,035 issued shares (after deducting 51,216,440 shares without voting rights under Article 179 of the Company Act).

Chairperson: Sean Chen, Chairman

Minute Taker: Eve Yang

Directors in Presence: Sean Chen, Chairman, Lidon Chen and Chao-Yi Wu, both directors, and Wei-Chen Wang (convener of the Audit Committee) and Hui-Fen Chan, both independent directors, for a total of 5 directors, which exceeds half of the 7 seats of the Board of Directors.

Attendance: Eve Yang, CFO, and Ya-Hui Cheng, CPA

I. Call the meeting to order: The number of shares present has reached the quorum, and the chairman announced the start of the meeting.

II. Chairperson's opening remarks: Omitted.

III. Report:

(I) Please refer to Attachment 1 for the 2022 business report.

(II) Please refer to Attachment 2 for the report on the Audit Committee's review of the Company's 2022 business and accounting reports.

(III) Report on the Company's distribution of employees and directors' profit-sharing remuneration for 2022.

The 2022 remuneration for employees and directors has been approved by the board resolution at the meeting held on March 3, 2023. According to the Articles of Incorporation, NT\$18,000,000, or 1.77% of the profit, is allocated as director remuneration; NT\$102,000,000, or 10.05% of the profit, is allocated as employee remuneration, all of which will be paid in cash.

(IV) Report on the 2022 profit and distribution of cash from capital surplus.

1. According to the provisions of Article 23-1 of the Articles of Incorporation, if the Company distributes all or part of the dividends and bonuses or legal reserve and capital surplus in the form of cash, the Board of Directors is authorized to do so with the presence of at least two-thirds of the directors and the approval of a majority of the directors present, and to report to the shareholders' meeting.
2. The 2022 profit distribution allocates NT\$2.3 per share to be distributed in cash as shareholder dividends. Distribution of cash dividends adopts the calculation method of "round down to the nearest dollar," fractions that do not amount to a full NT\$1 shall be added and recognized by the Company as other income.
3. In accordance with Article 241 of the Company Act, the capital surplus that exceeds the par value of the issued shares is distributed to shareholders in cash, at NT\$0.2 per share, which is based on the shareholder register as of the record date of cash distribution, up to the amount of NT\$1, with the amount below NT\$ rounded off and the total amount less than NT\$1 being included in other income of the Company.
4. On the condition that the abovementioned dividends are kept at NT\$2.3 per share and NT\$0.2 is paid from the capital surplus, if there are regulatory changes by the competent authority or changes to the Company's capital, such as the conversion of convertible bonds into equity, which affect the number of shares outstanding before the dividends record date, the chairman is authorized to make changes to the profit distribution schedule, dividends record date and payment date and other relevant matters.

(V) Report on the endorsement and guarantee of the Company and its subsidiaries for the year ended December 31, 2022.

1. In accordance with the Company's endorsement and guarantee measures, the Company and its subsidiaries shall submit the endorsement and guarantee conditions during each business year and related matters to the next annual shareholders' meeting for review.
2. Please refer to Attachment 3 for the endorsement and guarantee of the Company and its subsidiaries for the year ended December 31, 2022.

(VI) Report on the Company's 1st and 2nd series secured corporate bonds.

1. At the board meeting held on August 4, 2022, the Company was approved by the board to issue secured corporate bonds with a limit of no more than NT\$1.8 billion to repay loans from financial institutions and raise working capital.
2. In 2022, the Company issued domestic secured corporate bonds in NTD twice, with a total amount of NT\$1 billion. The amount and terms of each issue are as follows:

Bond period	Date of issue: (year/month/day)	Types of bonds	Amount issued (NTD)	Maturity (year)	Annual interest rate (fixed) (%)	Date of maturity: (year/month/day)	Guaranteeing bank
1st of 2022	2022/9/28	Bond A	NT\$300 million	5 years	1.80%	2027/9/28	Mega International Commercial Bank
		Bond B	NT\$200 million		1.80%		First Commercial Bank of Taiwan
2nd of 2022	2022/12/27	Bond A	NT\$200 million	5 years	2.20%	2027/12/27	Shanghai Commercial and Savings Bank
		Bond B	NT\$300 million		2.38%		Taichung Commercial Bank
Interest payment method		Simple interest calculated and interest paid once a year					
Principal repayment method		A single repayment of principal at maturity					

(VII) Report on the status of the issue of common shares by private placement approved by the 1st extraordinary general meeting in 2022.

1. The extraordinary shareholders' meeting on July 26, 2022 resolved to approve the issuance of no more than 125,000 thousand common shares by private placement. In accordance with the provisions of Article 43-6 of the Securities and Exchange Act, the private placement of negotiable securities should be conducted within one year from the date of the shareholders' meeting resolution.
2. Considering that the issuance period will soon reach its deadline, the board resolved, on March 3, 2023, to not continue the issue of common shares by private placement which was approved at the 1st extraordinary general meeting in 2022 from now until the deadline.

Present the above content for review.

IV. Matters for Ratification

No. 1: (Proposed by the Board of Directors)

Subject: Present the Company's 2022 business report and financial statements for ratification.

Explanation: (I) The 2022 business report and financial statements were approved by the Audit Committee and the Board of Directors, where the financial statements have been audited and completed by CPAs Ya-Hui Cheng and Chien-Yu Liu from PricewaterhouseCoopers Taiwan.

(II) The business report, independent auditor's report, and financial statements are available in Attachment 1, Attachment 4 and Attachment 5.

Resolution: The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of the voting are as follows:

Total voting rights at the time of voting	Results of voting	Shares of voting rights of shareholders present (%)
150,078,078 shares	Number in favor: 129,968,471 shares (Voting rights exercised by electronic means: 52,054,600 shares)	86.60%
	Number against: 42,449 shares (Voting rights exercised by electronic means: 12,449 shares)	0.02%
	Invalid: 0 shares	0.00%
	Abstention/Did not vote: 20,067,158 shares (Voting rights exercised by electronic means: 20,060,153 shares)	13.37%

No. 2: (Proposed by the Board of Directors)

Subject: Present the Company's 2022 profit distribution for ratification.

Explanation: The Company's 2022 earnings distribution proposal has been approved by the Audit Committee and the Board of Directors, and please refer to Attachment 6 of this Handbook for the earnings distribution schedule.

Resolution: The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of the voting are as follows.

Total voting rights at the time of voting	Results of voting			Shares of voting rights of shareholders present (%)
150,078,078 shares	Number in favor: (Voting rights exercised by electronic means:	129,972,046 shares		86.60%
		52,058,175 shares)		
	Number against: (Voting rights exercised by electronic means:	50,395 shares		0.03%
		20,395 shares)		
Invalid:	0 shares		0.00%	
Abstention/Did not vote: (Voting rights exercised by electronic means:	20,055,637 shares		13.36%	
	20,048,632 shares)			

V. Matters for Discussion

No. 1: (Proposed by the Board of Directors)

Subject: The proposal to issue common shares by private placement is hereby submitted for resolution.

Explanation: (I) In order to raise working capital, expand the factory and purchase machinery and equipment to increase the scale of operations and repay borrowings to establish a robust financial structure to meet the needs of the Company's long-term development, the Company intends to increase capital in cash by private placement of new shares in accordance with Article 43-6 of the Securities and Exchange Act. It is estimated that the private placement of commons stock will not exceed 75,000 thousand shares, with a par value of NT\$10 per share. It is proposed to have the shareholders' meeting authorize the board to issue shares in one to multiple rounds (no more than three times) within one year from the date of the resolution of the shareholders' meeting and to determine the number of shares to be issued each time, depending on the market condition and the Company's financial position.

(II) In accordance with Article 43-6 of the Securities and Exchange Act, the matters that should be explained for private placement are as follows:

(1) The basis and reasonableness for the pricing of the private placement:

A. The price of common shares in this private placement shall not be lower than 80% of the higher price calculated using any one of the following two bases before the pricing date.

a. The simple arithmetic mean of the closing prices of the common shares for either 1, 3, or 5 business days before the pricing date, after adjustment for any

stock dividends, cash dividends or capital reduction.

b. The simple arithmetic mean of the closing prices of the common shares for 30 business days before the pricing date, after adjustment for any stock dividends, cash dividends or capital reduction.

B. The actual issue price, within the range of not less than the percentage resolved by the shareholders' meeting, is authorized to be determined by the Board, depending on the negotiations with specific parties and market conditions in the future. The aforementioned pricing of private placement complies with the provisions of the Directions for Public Companies Conducting Private Placements of Securities, so it is considered reasonable.

(2) Selection method, purpose, necessity and expected benefits of specific persons:

The placees of this private placement are limited to specific persons who meet the provisions of Article 43-6 of the Securities and Exchange Act. Potential candidates include banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other juristic persons or institutions approved by the competent authority; natural persons, juristic persons or funds and strategic investors meeting the conditions prescribed by the competent authority; and those who have knowledge of the operations or industry development and will directly or indirectly benefit the Company's future operations. We have not contacted any placees.

The selection of placees is necessary in response to the Company's operation and development. It is proposed to have placees who can directly or indirectly assist the Company's finance, business, production, technology, procurement, management, strategy, industry integration, sustainable development, etc., to strengthen the Company's competitive advantages and improve operational efficiency and long-term development, which will have a positive effect on shareholder equity. It is proposed to authorize the board to review the relevant qualifications of placees.

(3) Necessary reasons for private placement:

Private placement can be quick and easy in achieving the goal of drawing strategic investors, and there are restrictions on the transfer of private placement stocks, which can ensure a long-term collaborative relationship between the Company and strategic investors. Authorizing the board to conduct private placement in response to the actual needs of the Company can also effectively improve the liquidity and flexibility of the Company's financing.

(4) Use of funds and expected benefits:

Depending on the market condition and the situation of the specific persons, we will organize one to multiple rounds (no more than three times) of private placement within one year after the date of approval by the shareholders' meeting resolution. The purpose of each private placement is to raise operating capital, expand the factory and purchase machinery and equipment to increase the scale of operations, repay borrowings to build a robust financial structure to meet the needs of the Company's long-term development. After each round of private placement and the use of funds are completed, it is expected that the Company's competitiveness and operational efficiency can be improved, which will promote the Company's stable growth and be beneficial to shareholders' equity.

- (III) The rights and obligations of the common shares of the private placement are the same as those of the Company's issued common shares. However, according to Article 43-8 of the Securities and Exchange Act, the shares of private placement shall be restricted from transfer within three years from the delivery date. After three years from the date of delivery of the private placement, the Company intends to obtain a letter of consent from the Taiwan Stock Exchange to approve the listing and trading in accordance with the relevant laws and regulations before reporting to the competent authorities to complete the public offering procedures and apply for listing and trading.
- (IV) For this private placement of common shares, it is proposed to request the shareholders' meeting to authorize the chairman or his designated person to sign and negotiate all contracts and documents related to the private placement on behalf of the Company and handle all matters related to the private placement for the Company.
- (V) The number of shares, issue price, terms and conditions, planning items and other outstanding matters related to the private placement of common shares are proposed to the shareholders' meeting to authorize the Board of Directors to determine, depending on the market condition and the needs of the Company's operations. In the event that the regulations of the competent authorities or objective circumstances require future changes, the Board of Directors shall also be authorized to handle this by following the relevant regulations.

Supplementary Note: A letter from shareholder account No. 134862, Securities and Futures Investors Protection Center, requesting the Company to explain to its shareholders the purpose of the private placement and the impact on the managerial control.

- I. On March 3, 2023, the Board of Directors resolved to conduct a private placement of

common stock (hereinafter referred to as “the private placement”). The private placement is subject to the approval of the annual general meeting of shareholders on May 24, 2023. The explanation of the purpose of the private placement and that there will not be significant changes to the managerial control is shown as follows:

1. Purpose of private placement:

The purpose of the private placement is to draw strategic investors, and there are restrictions on the transfer of private placement stocks, which can ensure a long-term collaborative relationship between the Company and strategic investors. Authorizing the board to conduct private placement in one or multiple issues in response to the actual needs of the Company can also effectively improve the liquidity and flexibility of the Company’s financing.

2. No significant changes to managerial control:

The private placement will issue no more than 75,000 thousand shares, completed in one or multiple issues (no more than three times). If fully raised, the Company’s paid-in capital will reach NT\$3.512 billion (including the current paid-in capital, full conversion of convertible bonds, and privately placed common stock). Privately placed equity will only account for 21.36% of the paid-in share capital, and the private placement will be conducted once or in separate issues within one year from the date of the board’s approval, so it will not have a significant change to the managerial control.

Please be informed of the above supplementary note.

Resolution: The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of the voting are as follows.

Total voting rights at the time of voting	Results of voting			Shares of voting rights of shareholders present (%)
150,078,078 shares	Number in favor: (Voting rights exercised by electronic means:	106,307,598	shares	70.83%
	28,393,727	shares)		
	Number against: (Voting rights exercised by electronic means:	21,965,818	shares	14.63%
	21,935,818	shares)		
Invalid:	0	shares	0.00%	
Abstention/Did not vote: (Voting rights exercised by electronic means:	21,804,662	shares	14.52%	
21,797,657	shares)			

No. 2: (Proposed by the Board of Directors)

Subject: Present amendments to provisions of the Company's Article of Incorporation for deliberation.

Explanation: In response to the Company's operation, it is proposed to amend the provisions of the Articles of Incorporation. For the comparison table of the amended provisions, please refer to Attachment 7.

Resolution: The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of the voting are as follows.

Total voting rights at the time of voting	Results of voting	Shares of voting rights of shareholders present (%)
150,078,078 shares	Number in favor: 128,261,807 shares (Voting rights exercised by electronic means: 50,347,936 shares)	85.46%
	Number against: 51,731 shares (Voting rights exercised by electronic means: 21,731 shares)	0.03%
	Invalid: 0 shares	0.00%
	Abstention/Did not vote: 21,746,540 shares (Voting rights exercised by electronic means: 21,757,535 shares)	14.50%

VI. Election

No. 1: (Proposed by the Board of Directors)

Subject: It is proposed to hold re-election of directors.

Explanation: (I) The term of office of the 12th session of directors will expire on March 17, 2023, and it is proposed to hold re-election at the annual general meeting.

(II) 7 seats of directors (including 3 independent directors) will be elected at the general meeting this year. In accordance with Article 15 of the Company's Articles of Incorporation, the election of directors is based on the candidate nomination system, and the newly elected directors and independent directors will serve from the date of the election until the expiration of the terms, from May 24, 2023 to May 23, 2026.

(III) The list of candidates for the election of directors was approved by the Board of Directors on March 3, 2023. Please refer to Attachment 8 of this Handbook for their academic qualifications, experience, number of shares held and other relevant information.

(IV) The election is conducted in accordance with the “Procedures for Election of Directors” of the Company. Please refer to Appendix 2 of the handbook.

Election results: The list of elected directors and independent directors and the number of rights elected are as follows:

Job title	Account number or personal identification number	Name of account or person’s name	Number of rights elected
Director	187613	Sean Chen	126,780,765 votes
Director	224012	Lidon Chen	125,265,347 shares
Director	187750	Chao-Yi Wu	121,492,502 shares
Director	196562	Youe Chung Capital Corporation, Representative: Ming-Chung Chang	120,576,822 shares
Independent Director	D120*****	Wei-Chen Wang	115,066,339 shares
Independent Director	92965	Huan-Kuei Cheng	114,690,166 shares
Independent Director	281862	Hui-Fen Chan	114,618,878 shares

VII. Other motions

No. 1: (Proposed by the Board of Directors)

Subject: Propose the lifting of the restrictions on the non-compete clause of new directors and their representatives for deliberation.

Explanation: (I) In accordance with Article 209 of the Company Act, “A director who performs acts for himself/herself or others within the scope of the Company’s business shall explain the material content of his/her acts to the shareholders’ meeting and obtain their approval.

(II) For the newly elected director of the Company and their representatives holding a position in another company, please refer to Attachment 9 of this Handbook, and it is intended to propose to the 2023 regular shareholders’ meeting to agree to release the director from the non-compete restriction from the date he/she assumes office, provided that the interests of the Company are not prejudiced.

Supplementary Note: A letter from shareholder account No. 134862, Securities and Futures Investors Protection Center, requesting the Company to explain to its shareholders the content of “Propose the lifting of the restrictions on the non-compete clause of new directors and their representatives for deliberation”, the companies and positions where the directors and the representatives concurrently serve, the main areas of business of the companies, and the possible conflicts of interest arising from holding such positions:

Shareholders are requested to refer to Attachment 9 for the positions held by the new directors and their representatives in other companies and the main areas of business of these companies. The positions held do not create conflicts of interest with the Company.

Please be informed of the above supplementary note.

Resolution: The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of the voting are as follows.

Total voting rights at the time of voting	Results of voting		Shares of voting rights of shareholders present (%)
150,078,078 shares	Number in favor: (Voting rights exercised by electronic means:	128,108,992 shares 50,195,121 shares)	85.36%
	Number against: (Voting rights exercised by electronic means:	170,173 shares 140,173 shares)	0.11%
	Invalid:	0 shares	0.00%
	Abstention/Did not vote: (Voting rights exercised by electronic means:	21,798,913 shares 21,791,908 shares)	14.52%

VIII. Extraordinary Motions: None.

There were no questions from shareholders at the meeting.

IX. Ending of meeting: At 09:30 am on the same day, the chairperson announced the ending of the meeting.

[Attachment 1]

Taiwan Mask Corporation 2022 Business Report

To begin with, I would like to express my appreciation to all shareholders for their support. Due to the uncertainty in the global situation, changes brought by the pandemic, the impact of inflation and the protectionist strategies employed by many countries, the supply chain has been reorganized and unbalanced, which has also affected the development of the semiconductor industry. With the continuous and stable strategic planning and the timely and appropriate introduction of new production capacity and technologies, the management team and all employees of Taiwan Mask Corporation have been working with our supply chain partners and growing with our strategic clients, and the 2022 revenue has continued to grow and already hit a record high.

TMC's 2022 parent-only net operating revenue reached NT\$3.888 billion, up 40% over the previous year, and net profit after tax was NT\$704 million. In terms of operational performance, we continue to upgrade technologies and improve production capacity and manufacturing quality, shortening lead times and improving customer satisfaction by strengthening organizational functions and transforming management systems. Taiwan Mask Corporation has successfully deployed mid-range and high-end photomask manufacturing services and expanded its photomask foundry services to strategic partners, significantly increasing its revenue and profitability.

TMC continues to grow in its core business and expand its strategic deployment. In addition, the group's subsidiaries also focus on the development of their own core businesses and expand related synergistic businesses in order to create maximum benefits.

Looking forward to 2023, in response to the growth of the semiconductor market, TMC will,

1. Continue to strengthen its operations, quality improvements, improve quality and yield, build the production capacity and order acceptance of high-end process photomasks, lower manufacturing cost, optimize customer service, and to maximize current production line's performance.
2. Continue to expand the photomask business required for 40nm technology for 12-inch wafers: After the successful mass production of 65nm photomasks, we will actively expand photomask manufacturing services for 12-inch wafer fabs in 2023, and introduce the mass production of 40nm photomask and plan investment in manufacturing technology and production services for 28nm photomasks.

3. The Group's synergy integration and full performance: Under the foundation of photomask service by the parent company, combining with its subsidiaries, including Miracle Tech's foundry management service, Aptos Tech's packaging and testing service, Xsense Tech's heat dissipation substrate production, Innova Vision's contact lens manufacturing and Digital-Can Tech's laminate manufacturing, there are expectations to create more values for shareholders through the Group's internal collaborations and the effective sharing of resources and management.
4. Put ESG-related operations and management into practice: Since the establishment of the Taiwan Mask Charity Foundation, we have continued to pay attention to and commit ourselves to social care and care for the disadvantaged. With the joint participation of the Group and employees, we have been trying to realize the philosophy of "Doing good and causing good" and take actions to co-create a "society with common good". In addition, the subsidiary Adl Engineering is working toward the goals of energy creation and storage. We also encourage disruptive innovation in our approach for research and development projects, and are committed to solving energy issues and fulfilling our corporate social responsibilities.

Wishing you all
good health, good luck and prosperity.

Chairman:



Managerial Officer:



Accounting Officer:



[Attachment 2]

Taiwan Mask Corporation
Audit Committee's Audit Report

We have reviewed the Company's 2022 business report, financial statements and earnings distribution proposal prepared by the board of directors. The financial statements have been audited by CPA Ya-Hui Cheng and CPA Chien-Yu Liu of PricewaterhouseCoopers Taiwan, to which the firm has issued an independent auditor's report. The Audit Committee found no misstatement in the above, and hereby presents this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

For

The 2023 Annual General Meeting

Taiwan Mask Corporation



Audit Committee convener: Wei-Chen Wang



March 3, 2023

[Attachment 3]

Endorsement and guarantee of the Company and its subsidiaries for the year ended December 31, 2022

Taiwan Mask Corporation and Subsidiaries
Endorsements and Guarantees to Others
January 1 to December 31, 2022

Table 2

Unit: NT\$Thousand
(Unless otherwise specified)

No.	Guaranteed Party		Relationship	Limit of endorsement and guarantee for a single enterprise	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement / Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement / Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement / Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary to Parent Company	Guarantee Provided to Subsidiaries in Mainland China	Note
	Endorser/guarantor	Name of Company												
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	2	\$ 229,550	\$ 225,505	\$ 214,970	\$ -	\$ -	4.73%	\$ 1,818,768	Y	N	N	Note 3
1	ADL Energy Corp	Apnos Technology INC.	3	14,374	19,500	19,500	19,500	19,500	40.70%	19,166	N	Y	N	Note 4
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	344,788	224,808	224,808	224,808	224,808	65.20%	344,788	N	Y	N	Note 5
3	Miracle Technology CO., LTD.	Xsense Technology Corporation (B.V.) Taiwan Branch	1	178,503	150,000	150,000	150,000	150,000	33.61%	178,503	N	N	N	Note 6
3	Miracle Technology CO., LTD.	Apnos Technology INC.	1	178,503	150,000	-	-	-	-	178,503	N	N	N	Note 6

Note 1: The description of the number columns are as follows:
(1). Fill in 0 for the issuer.
(2). The investee company is numbered in sequence starting from Arabic numeral 1 according to company type.
Note 2: The relationship between the guarantor and the guarantee are one of the seven types indicated below:
(1) A company with which it does business.
(2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
(3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
(4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other.
(5) A company that is mutually insured by a contract between peers or co-founders based on the needs of the contracted work.
(6) A company that is guaranteed by all contributing shareholders in proportion to their shareholdings due to a joint investment relationship.
(7) Companies that are engaged in joint and several guarantees for the performance guarantee of pre-sale housing sales contracts in accordance with the regulations of the Consumer Protection Act.
Note 3: The Company's endorsement and guarantee practices for others provide that:
(1). The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's paid-in capital.
(2). The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
(3). Companies with which the Company has a parent-child relationship: The amount of endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the paid-in capital of the company being endorsed and guaranteed.
(4). The aggregate amount of the endorsement and guarantee of the Company and its subsidiaries as a whole shall not exceed 40% of the net worth of the Company, of which the endorsement and guarantee of a single subsidiary shall not exceed 20% of the net worth of the Company.
Note 4: Subsidiary - ADL Energy Corp Endorsement and Guarantee Procedures:
(1). The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.
(2). The amount of the endorsement guarantee for a single enterprise shall not exceed 30% of the net value of the company's most recent audited or reviewed financial statements.
(3). The Company and its subsidiaries shall state in the shareholders' meeting the necessity and reasonableness of any endorsement or guarantee of more than 50% of the net value of the Company's most recent audited or reviewed financial statements.
Note 5: Miko-China Enterprise (Shanghai) Co., Ltd. Endorsement and Guarantee Procedures:
The total amount of endorsement guarantee liability is limited to RMB 30 million, and the amount of endorsement guarantee for a single enterprise shall not exceed RMB 30 million; however, for the parent company that directly or indirectly holds, through a subsidiary, more than 50% of the common stock equity of a company, it may endorse up to its net value.
Note 6: Subsidiary - Miracle Technology Co., Ltd. Endorsement and Guarantee Procedures:
The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.

[Attachment 4]

Independent Auditors' Report

(112) Tsai-Sheng-Bao-Zi No. 22004222

To Taiwan Mask Corporation,

Opinions

We have audited the accompanying consolidated balance sheets of Taiwan Mask Corporation and its subsidiaries (the "Group") as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matters section of our report, the accompanying consolidated financial statements present fairly, in all material aspects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2022 and 2021 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in Taiwan. Our responsibilities under those standards are further described in the Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of the other independent 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 are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of fiscal year 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, we do not provide a separate opinion on these matters.

Key audit matters for the TMC Group's consolidated financial statements in fiscal year 2022 are stated as follows:

Evaluation of Inventories

Explanation

Refer to Note 4(14) for the accounting policies on the evaluation of inventories, Note 5(2) for the uncertainty of accounting estimations and assumptions for evaluation of inventories, and Note 6(5) for the detailed description of inventory accounts. The inventory amount and allowance for inventory valuation loss as of December 31, 2022 were NT\$515,289 thousand and NT\$132,759 thousand, respectively.

The Group is primarily engaged in mask and integrated circuit services in the semiconductor industry. Due to rapid technological innovations, short life-cycle and competition within the mask industry, the risk of price fluctuations, Loss on decline in value of inventories and obsolescence is higher than that of other industries. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Understand and evaluate the accounting policy for the provision of allowance for losses on decline in value of inventories.
2. Perform test to evaluate the ageing statement of inventories and the statement of lower of cost and net realizable value of inventories, including validating the supporting documents related to the date of inventory movement to confirm the correct ageing classification, and validating the supporting documents related to the net realizable value to assess and confirm the reasonableness of the net realizable value determination.
3. Verify the reasonableness of allowance for inventory valuation loss.

Income recognition

Explanation

For the accounting policy on income recognition, please refer to Note 4(29) of the financial report. For sales revenue, please refer to Note 6(22); the operating income in fiscal year 2022 was NT\$7,741,118 thousand.

The Group mainly produces and sells products such as masks and integrated circuits used in semiconductors, and has a large and diversified sales base. Trading conditions vary according to market conditions and customer needs. Considering that sales revenue is a major transaction that has a significant impact on the consolidated financial statements, we believe that the recognition of sales revenue is one of the most important matters to be considered in this year's audit.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Understand the type of major income and assess internal operations, review revenue recognition and accounting treatment.
2. Obtain the sales revenue statement, sample the sales transactions, and verify the relevant documents to determine the appropriateness of the sales revenue.
3. Execute the cut-off test for the sales receipts transaction for a certain period of time before and after the closing date, and confirm that the account is correct at the time of entry.

Other matters—Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only standalone financial statements of Taiwan Mask Corporation as of and for the years ended December 31, 2022 and 2021.

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

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

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

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

Independent Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit conducted in accordance with ROC AS, we exercise professional judgment and professional skepticism throughout the audit. We also conduct the following undertakings:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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 for the current period.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2022 consolidated financial statements of the current period and are therefore deemed key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonable are expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Ya-Hui Cheng

Accountant

Chien-Yu Liu

Securities and Futures Bureau of Financial

Supervisory Commission of the Executive Yuan

Approval Certificate No. 0960072936

Financial Supervisory Commission of the

Executive Yuan

Approval Document for Attestation: Jin-Guan-

Zheng-Shen-Zi No. 1090350620

March 3, 2023

Taiwan Mask Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT\$Thousand

Assets	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and Cash Equivalents	6(1)	\$ 1,749,957	10	\$ 2,681,819	17
1110	Financial Assets at Fair Value	6(2) and 8				
	Through Profit or Loss - Current		1,584,598	9	3,603,920	22
1136	Financial Assets at Amortized Cost -	6(3) and 8				
	Current		160,465	1	38,338	-
1140	Contract Asset - Current	6(22)	140,231	1	155,763	1
1150	Notes Receivables (Net)	6(4) and 7	1,361	-	63	-
1170	Accounts Receivables (Net)	6(4)	1,501,012	8	1,263,748	8
1180	Accounts Receivables - Related	6(4) and 7				
	Parties (Net)		2,346	-	16,812	-
1200	Other Receivables	7	13,751	-	68,997	-
1220	Tax Assets		42,652	-	22,600	-
130X	Inventories	6(5)	382,530	2	403,717	3
1410	Prepayments		280,245	2	121,866	1
1470	Other Current Assets		44,734	-	29,897	-
11XX	Total Current Assets		<u>5,903,882</u>	<u>33</u>	<u>8,407,540</u>	<u>52</u>
Non-Current Assets						
1510	Financial Asset at Fair Value Through	6(2) and 8				
	Profit or Loss - Non Current		2,896,557	16	1,433,752	9
1535	Financial Assets at Amortized Cost -	6(3) and 8				
	Non Current		507,602	3	39,925	-
1550	Investment under Equity Method	6(6)	124,565	1	164,707	1
1600	Property, plant and equipment	6(7) and 8	5,883,661	33	4,086,361	26
1755	Right-of-use Asset	6(8)	550,611	3	652,652	4
1760	Investment property (Net)	6(10) and 8	170,346	1	173,614	1
1780	Intangible assets	6(11)	497,180	3	496,804	3
1840	Deferred Income Tax Assets	6(29)	9,365	-	8,060	-
1900	Other Non-Current Assets	6(12)	1,349,137	7	690,980	4
15XX	Total Non-Current Assets		<u>11,989,024</u>	<u>67</u>	<u>7,746,855</u>	<u>48</u>
1XXX	Total Assets		<u>\$ 17,892,906</u>	<u>100</u>	<u>\$ 16,154,395</u>	<u>100</u>

(Continued)

Taiwan Mask Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT\$Thousand

Liabilities and Equities	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current liabilities					
2100 Short Term Loans	6(13)	\$ 4,624,525	26	\$ 4,376,766	27
2120 Financial liabilities at fair value through profit or loss - Current	6(2)	5,697	-	-	-
2130 Contract Liabilities - Current	6(22)	232,778	1	179,315	1
2150 Notes Payable		81	-	66	-
2170 Accounts Payable		417,175	2	477,232	3
2180 Accounts payable - Related party	7	284	-	-	-
2200 Other Payables	6(14)	837,213	5	742,008	5
2230 Current Income Tax Liabilities		178,854	1	186,481	1
2250 Provision for Liabilities - Current		-	-	10,964	-
2280 Lease Liability - Current		32,571	-	31,758	-
2320 Long-term liabilities due within one year or one business cycle	6(16)	611,473	4	70,391	1
2399 Other Current Liabilities - Other		39,114	-	39,281	-
21XX Total Current Liabilities		<u>6,979,765</u>	<u>39</u>	<u>6,114,262</u>	<u>38</u>
Non-current liabilities					
2530 Corporate bonds payable	6(15)	2,609,044	14	1,657,049	10
2540 Long-term Loans	6(16)	3,167,974	18	2,651,808	16
2570 Deferred Income Tax	6(29)	121,124	1	110,989	1
2580 Lease liability - Non Current		527,098	3	623,883	4
2640 Defined Benefit Liabilities - Non Current		16,512	-	14,999	-
2645 Guarantee Deposits Received		34,754	-	6,908	-
2670 Other Non-Current Liabilities - Other		2,428	-	100,646	1
25XX Total Non-Current Liabilities		<u>6,478,934</u>	<u>36</u>	<u>5,166,282</u>	<u>32</u>
2XXX Total Liabilities		<u>13,458,699</u>	<u>75</u>	<u>11,280,544</u>	<u>70</u>
Equity attributable to shareholders of the parent company					
Capital	6(18)				
3110 Capital stock		2,564,465	14	2,556,735	16
Capital surplus	6(19)				
3200 Capital surplus		1,251,681	8	1,315,828	8
Retained earnings	6(20)				
3310 Legal reserve		769,952	4	656,037	4
3350 Unappropriated earnings		1,729,293	10	1,470,151	9
Other equity interests	6(21)				
3400 Other equity interests		10,508	-	4,032	-
3500 Treasury stock	6(18)	(1,778,979)	(10)	(941,423)	(6)
31XX Total Equities Attributable to Parent Company		<u>4,546,920</u>	<u>26</u>	<u>5,061,360</u>	<u>31</u>
36XX Non-controlling Interests		<u>(112,713)</u>	<u>(1)</u>	<u>(187,509)</u>	<u>(1)</u>
3XXX Total Equities		<u>4,434,207</u>	<u>25</u>	<u>4,873,851</u>	<u>30</u>
Major Commitments and Contingencies	9				
Major Events after Financial Statement Date	11				
3X2X Total Liabilities and Equities		<u>\$ 17,892,906</u>	<u>100</u>	<u>\$ 16,154,395</u>	<u>100</u>

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

Taiwan Mask Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand
(Except for earnings per share)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6(22) and 7	\$ 7,741,118	100	\$ 6,077,362	100
5000 Operating costs	6(5)	(5,642,493)	(73)	(4,667,982)	(77)
5900 Gross profit		<u>2,098,625</u>	<u>27</u>	<u>1,409,380</u>	<u>23</u>
Operating expenses	6(27) (28)				
6100 Selling Expenses		(209,947)	(3)	(150,235)	(2)
6200 Administrative Expenses		(375,754)	(5)	(656,228)	(11)
6300 R&D Expenses		(254,090)	(3)	(170,245)	(3)
6450 Expected Credit Impairment	12(2)				
(Loss) Gain		(10,558)	-	1,340	-
6000 Total Operating Expenses		<u>(850,349)</u>	<u>(11)</u>	<u>(975,368)</u>	<u>(16)</u>
6900 Operating profit		<u>1,248,276</u>	<u>16</u>	<u>434,012</u>	<u>7</u>
Non-operating income and expenses					
7100 Interest income	6(23)	25,271	-	4,858	-
7010 Other Incomes	6(24)	258,255	4	115,294	2
7020 Other Gains and Losses	6(25)	(619,247)	(8)	765,676	13
7050 Financial Costs	6(26)	(177,546)	(2)	(100,524)	(2)
7060 The share of affiliates and joint venture profits and losses recognized by the equity method	6(6)	(61,296)	(1)	(80,385)	(1)
7000 Total Non-Operating Incomes and Losses		<u>(574,563)</u>	<u>(7)</u>	<u>704,919</u>	<u>12</u>
7900 Earnings Before Tax		<u>673,713</u>	<u>9</u>	<u>1,138,931</u>	<u>19</u>
7950 Income Tax Expense	6(29)	(228,081)	(3)	(291,537)	(5)
8200 Net Income		<u>\$ 445,632</u>	<u>6</u>	<u>\$ 847,394</u>	<u>14</u>

(Continued)

Taiwan Mask Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand
(Except for earnings per share)

Items	Notes	2022		2021	
		Amount	%	Amount	%
Other Comprehensive Incomes (Net)					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Re-measurements of defined benefit plan	(\$ 2,656)	-	\$ 1,189	-
8310	Total items that will not be reclassified subsequently to profit or loss	(2,656)	-	1,189	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statement translation differences of foreign operations	6,476	-	3,143	-
8360	Total Components of other comprehensive income that will be reclassified to profit or loss	6,476	-	3,143	-
8300	Other Comprehensive Incomes (Net)	\$ 3,820	-	\$ 4,332	-
8500	Total comprehensive income for the year	\$ 449,452	6	\$ 851,726	14
Net Incomes (Losses) Attributable to:					
8610	Parent Company	\$ 703,519	9	\$ 1,146,610	19
8620	Non-controlling Interests	(257,887)	(3)	(299,216)	(5)
	Total	\$ 445,632	6	\$ 847,394	14
Total Comprehensive Incomes (Losses) Attributable to:					
8710	Parent Company	\$ 707,339	9	\$ 1,150,942	19
8720	Non-controlling Interests	(257,887)	(3)	(299,216)	(5)
	Total	\$ 449,452	6	\$ 851,726	14
Earnings per share					
9750	Net Income		3.37		5.47
Diluted Earnings per share					
9850	Net Income		3.12		5.37

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

Taiwan Mask Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand

		Equity attributable to shareholders of the parent company										
		Retained earnings					Other equity interests					
		Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Financial statement translation differences of foreign operations	Unrealized gain (loss) on investments on financial assets at fair value through other comprehensive income	Treasury stock	Total	Non-controlling Interests	Total Equity
Notes												
<u>2021</u>												
	Balance as of 2021/1/1	\$ 2,527,136	\$ 439,898	\$ 587,990	\$ 2,666	\$ 814,617	\$ 3,555	(\$ 2,666)	(\$ 834,598)	\$ 3,538,598	(\$ 90,165)	\$ 3,448,433
	Net Income	-	-	-	-	1,146,610	-	-	-	1,146,610	(299,216)	847,394
	Other Comprehensive Profit or Loss	-	-	-	-	1,189	3,143	-	-	4,332	-	4,332
	Total comprehensive income for the year	-	-	-	-	1,147,799	3,143	-	-	1,150,942	(299,216)	851,726
	Distribution and appropriation of earnings for 2020	-	-	-	-	-	-	-	-	-	-	-
	Legal capital reserve	-	-	68,047	-	(68,047)	-	-	-	-	-	-
	Reversal of Special reserve	-	-	-	(2,666)	2,666	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(379,071)	-	-	-	(379,071)	-	(379,071)
	Conversion of convertible bonds	29,599	216,415	-	-	-	-	-	-	246,014	-	246,014
	Adjustment of capital reserve by dividends paid to subsidiaries	-	55,622	-	-	-	-	-	-	55,622	-	55,622
	Changes in shares of affiliates and joint ventures recognized under the equity method	-	27,526	-	-	(47,813)	-	-	-	(20,287)	161,737	141,450
	Share-based payment transaction	-	169,174	-	-	-	-	-	-	169,174	7,806	176,980
	Treasury Stock Buyback	-	-	-	-	-	-	(828,884)	(828,884)	-	-	(828,884)
	Treasury stocks transfer to employees	-	-	-	-	-	-	722,059	722,059	-	-	722,059
	Capital surplus - convertible bond stock options	-	406,616	-	-	-	-	-	-	406,616	-	406,616
	Acceptance of gifts from shareholders	-	586	-	-	-	-	-	-	586	-	586
	Payment of overdue unclaimed dividends to shareholders	-	(9)	-	-	-	-	-	(9)	-	(9)	(9)
	Cash increase of non-controlling equity in Subsidiaries	-	-	-	-	-	-	-	-	-	32,329	32,329
	Balance as of 2021/12/31	\$ 2,556,735	\$ 1,315,828	\$ 656,037	\$ -	\$ 1,470,151	\$ 6,698	(\$ 2,666)	(\$ 941,423)	\$ 5,061,360	(\$ 187,509)	\$ 4,873,851
<u>2022</u>												
	Balance January 1, 2022	\$ 2,556,735	\$ 1,315,828	\$ 656,037	\$ -	\$ 1,470,151	\$ 6,698	(\$ 2,666)	(\$ 941,423)	\$ 5,061,360	(\$ 187,509)	\$ 4,873,851
	Net Income	-	-	-	-	703,519	-	-	-	703,519	(257,887)	445,632
	Other Comprehensive Profit or Loss	-	-	-	-	(2,656)	6,476	-	-	3,820	-	3,820
	Total comprehensive income for the year	-	-	-	-	700,863	6,476	-	-	707,339	(257,887)	449,452
	Distribution and appropriation of earnings for 2021	-	-	-	-	-	-	-	-	-	-	-
	Legal capital reserve	-	-	113,915	-	(113,915)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(241,189)	-	-	(241,189)	-	-	(241,189)
	Conversion of convertible bonds	7,730	55,472	-	-	-	-	-	-	63,202	-	63,202
	Distribution of cash from capital surplus	-	(241,189)	-	-	-	-	-	(241,189)	-	-	(241,189)
	Adjustment of capital reserve by dividends paid to subsidiaries	-	73,463	-	-	-	-	-	-	73,463	-	73,463
	Changes in ownership interests in subsidiaries recognized	-	10,169	-	-	(86,617)	-	-	(76,448)	-	-	(76,448)
	Changes in shares of affiliates and joint ventures recognized under the equity method	-	21,107	-	-	-	-	-	-	21,107	130,213	151,320
	Share-based payment transaction	-	16,831	-	-	-	-	-	-	16,831	2,230	19,061
	Treasury Stock Buyback	-	-	-	-	-	-	(842,536)	(842,536)	-	-	(842,536)
	Treasury stock donation	-	-	-	-	-	-	4,980	4,980	-	-	4,980
	Cash increase of non-controlling equity in Subsidiaries	-	-	-	-	-	-	-	-	-	200,240	200,240
	Balance December 31, 2022	\$ 2,564,465	\$ 1,251,681	\$ 769,952	\$ -	\$ 1,729,293	\$ 13,174	(\$ 2,666)	(\$ 1,778,979)	\$ 4,546,920	(\$ 112,713)	\$ 4,434,207

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

Taiwan Mask Corporation and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand

	Notes	January 1 to December 31, 2022	January 1 to December 31, 2021
Cash Flow from Operating Activities			
Net Income(Loss) Before Tax		\$ 673,713	\$ 1,138,931
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities			
Revenues and Expenses			
Depreciation	6(27)	568,193	483,274
Amortization	6(27)	45,391	18,236
Expected Credit Impairment loss (reversal gain)	12(2)	10,558	(1,340)
Interest income	6(23)	(25,271)	(4,858)
Interest Incomes	6(26)	177,546	100,524
Treasury stock donation expenses		4,980	-
Net Profit of Financial Asset at Fair Value Through Loss (Profit)	6(25)	801,122	(559,714)
Impairment Loss of Financial Assets	6(23)	-	11,737
Gain (loss) on disposal of investments	6(25)	(123,552)	(287,760)
Dividend income		(194,598)	(85,104)
Share-based payment transaction	6(18)	19,061	176,980
Share of losses of affiliated companies recognized under the equity method	6(6)	61,296	80,385
Loss (gain) on disposal of property, plant and equipment	6(24)	(5,024)	1,927
Property, plant and equipment reclassified as expenses		1,186	-
The Changes of Assets/ Liabilities related to Operating Activities			
The Changes of Assets/ Liabilities related to Operating Activities			
Mandatory financial assets at fair value through profit or loss		(115,356)	(2,071,523)
Contract Assets		15,532	(61,954)
Notes Receivables		(1,298)	1,018
Accounts Receivables		(247,822)	(345,858)
Accounts Receivables — Related Parties		14,466	(10,213)
Other Receivables		55,246	(14,606)
Other Receivables — Related Parties		-	3,068
Inventories		21,187	(182,382)
Prepayments		(158,379)	(33,317)
Other Current Assets		(14,837)	40,111
Other Non-Current Assets		671	104,166
Net Changes of Liabilities related to Operating Activities			
Contract Liabilities		53,463	78,360
Notes Payable		15	(4,263)
Accounts Payable		(60,057)	64,213
Accounts payable - Related party		284	-
Other Payables		144,840	211,059
Provisions		(10,964)	-
Other Current Liabilities		(167)	10,526
Defined Benefit Liabilities		4,169	(2,026)
Other Current Liabilities		(98,218)	51,396
Net Cash In-Flow (Out-Flow) from Operating		1,617,376	(1,089,007)
Interest Received		25,271	4,825
Dividends Received		194,598	85,104
Interest Paid		(177,546)	(101,583)
Income Tax Paid		(246,930)	(165,546)
Cash In-Flow (Out-Flow) from Operating Activities		1,412,769	(1,266,207)

Taiwan Mask Corporation and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand

	<u>Notes</u>	<u>January 1 to December 31, 2022</u>	<u>January 1 to December 31, 2021</u>
<u>Cash Flow from Investment Activities</u>			
Acquisition of Amortized Cost Financial Assets		(\$ 610,686)	(\$ 8,397)
Disposal of Amortized Cost Financial Assets		20,882	24,868
Acquisition of investment property by the Equity Method		-	(188,072)
Cash inflows from changes in consolidated entities	6(31)	-	46,854
Acquisition of Property, Plants and Equipment	6 (32)	(2,911,204)	(1,883,332)
Disposal of Property, Plants and Equipment		6,020	79,905
Acquisition of Intangible Assets		(45,767)	(13,089)
Decrease (Increase) of Refundable Deposits		(36,932)	2,680
Net Cash Outflow from Investing Activities		(3,577,687)	(1,938,583)
<u>Cash Flows from Financing Activities</u>			
Increase of Short Term Loan	6 (33)	16,200,182	8,552,978
Redemption of Short Term Loan	6 (33)	(15,952,423)	(6,515,430)
Increase of Long Term Loan	6 (33)	4,569,424	1,936,952
Redemption of Long Term Loan	6 (33)	(3,512,177)	(954,679)
Issuance of ordinary/convertible corporate bonds	6(31)	997,095	2,297,099
Distribution of cash dividends (including capital surplus distribution cash)		(408,915)	(323,449)
Treasury stocks transfer to employees		-	722,059
Treasury stock buyback cost		(842,536)	(828,884)
Redemption of Lease Principal	6 (33)	(55,556)	(63,982)
Increase in Guarantee Deposits Received	6 (33)	27,846	1,779
Cash increase of non-controlling equity in Subsidiaries		200,240	32,329
Payment of overdue unclaimed dividends		-	(9)
Net Cash In-Flow (Out-Flow) from Funding Activities		1,223,180	4,856,763
Adjustments of Exchange Rate		9,876	(6,812)
Net increase (decrease) in cash and cash equivalents		(931,862)	1,645,161
Beginning Balance of Cash and Cash Equivalents	6(1)	2,681,819	1,036,658
Ending Balance of Cash and Cash Equivalents	6(1)	\$ 1,749,957	\$ 2,681,819

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

Independent Auditors' Report

(112) Tsai-Sheng-Bao-Zi No. 22003018

To Taiwan Mask Corporation,

Opinions

We have audited the accompanying parent-only balance sheets of Taiwan Mask Corporation as of December 31, 2022 and 2021, and the related parent-only statements of comprehensive income, changes in equity and of cash flows for the years ended December 31, 2022 and 2021, and notes to the parent-only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matters section of our report, the parent-only financial statements present fairly, in all material respects, the standalone financial position of Taiwan Mask Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in Taiwan. Our responsibilities under those standards are further described in the Independent Auditor's Responsibilities for the Audit of the Parent Only Financial Statements section of our report. We are independent of Taiwan Mask Corporation in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of the other independent 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 are those matters that, in our professional judgment, were of most significance in our audit of the parent-only financial statements of Taiwan Mask Corporation of fiscal year 2022. These matters were addressed in the context of our audit of the parent only financial statements as a whole and, in forming our opinion thereon, we do not provide a parent only opinion on these matters.

Key audit matters for the parent-only financial statements in fiscal year 2022 are stated as

follows:

Evaluation of Inventories

Explanation

With respect to the accounting policy for inventory valuation, please refer to Note 4 (12) of the parent-only financial statements. For the uncertainty of accounting estimates and assumptions applied in inventory valuation, please refer to Note 5 (2). For the accounting entries of inventory, please refer to Note 6 (5). The inventory and the loss from inventory write-off as of December 31, 2022 are NT\$123,824 thousand and NT\$5,115 thousand, respectively.

Taiwan Mask Corporation is primarily engaged in mask and integrated circuit services in the semiconductor industry. Due to rapid technological innovations, short life-cycle and competition within the mask industry, the risk of price fluctuations, loss on decline in value of inventories and obsolescence is higher than that of other industries. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Understand and evaluate the accounting policy for the provision of allowance for losses on decline in value of inventories.
2. Perform test to evaluate the ageing statement of inventories and the statement of lower of cost and net realizable value of inventories, including validating the supporting documents related to the date of inventory movement to confirm the correct ageing classification, and validating the supporting documents related to the net realizable value to assess and confirm the reasonableness of the net realizable value determination.
3. Verify the reasonableness of allowance for inventory valuation loss.

Income recognition

Explanation

For the accounting policy on income recognition, please refer to Note 4(27) of the financial report. For sales revenue please refer to Note 6(21); the operating income in fiscal year 2022 is NT\$3,887,648 thousand.

Taiwan Mask Corporation mainly produces and sells products such as masks and integrated

circuits used in semiconductors, and has a large and diversified sales base. Trading conditions vary according to market conditions and customer needs. Considering that sales revenue is a major transaction that has a significant impact on the standalone financial statements, we believe that the recognition of sales revenue is one of the most important matters to be considered in this year’s audit.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Understand the type of major income and assess internal operations, review revenue recognition and accounting treatment.
2. Obtain the sales revenue statement, sample the sales transactions and verify the relevant documents to determine the appropriateness of the sales revenue.
3. Execute the cut-off test for the sales receipts transaction for a certain period of time before and after the closing date, and confirm that the account is correct at the time of entry.

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

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

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

Those charged with governance, including the Audit Committee, are responsible for overseeing Taiwan Mask Corporation’s financial reporting process.

Independent auditor’s responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the parent only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors’ Report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with ROC AS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, Individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent only financial statements.

As part of an audit conducted in accordance with ROC AS, we exercise professional judgment and professional skepticism throughout the audit. We also conduct the following undertakings:

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

We communicated 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 for the current period.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-only financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonable are expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Ya-Hui Cheng

Accountant

Chien-Yu Liu

Securities and Futures Bureau of Financial
Supervisory Commission of the Executive Yuan
Approval Certificate No. 0960072936

Financial Supervisory Commission of the
Executive Yuan

Approval Document for Attestation: Jin-Guan-
Zheng-Shen-Zi No. 1090350620

March 3, 2023

Taiwan Mask Corporation
Parent Only Balance Sheets
December 31, 2022 and 2021

Unit: NT\$Thousand

Assets	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and Cash Equivalents	6(1)	\$ 1,211,411	9	\$ 1,798,841	16
1110	Financial Assets at Fair Value	6(2)				
	Through Profit or Loss - Current		307,448	2	824,558	7
1136	Financial Assets at Amortized Cost -	6(3) and 8				
	Current		3,000	-	3,000	-
1140	Contract Asset - Current		90,642	1	115,854	1
1170	Accounts Receivables (Net)	6(4)	800,431	6	592,967	5
1180	Accounts Receivables - Related	6(4) and 7				
	Parties (Net)		9,525	-	5,112	-
1200	Other Receivables		4,566	-	3,826	-
1210	Other Receivables - Related Parties	7	17,443	-	14,870	-
130X	Inventories	6(5)	118,709	1	109,889	1
1410	Prepayments		104,427	1	36,959	-
1470	Other Current Assets		803	-	973	-
11XX	Total Current Assets		<u>2,668,405</u>	<u>20</u>	<u>3,506,849</u>	<u>30</u>
Non-Current Assets						
1510	Financial Asset at Fair Value Through	6(2)				
	Profit or Loss - Non Current		925,006	7	296,800	3
1535	Financial Assets at Amortized Cost -	6(3) and 8				
	Non Current		222,774	2	35,425	-
1550	Investment under Equity Method	6(6)	1,897,832	15	2,560,741	22
1600	Property, plant and equipment	6(7) and 8	4,762,328	37	3,178,465	28
1755	Right-of-use Asset	6(8)	541,438	4	563,415	5
1760	Investment property (Net)	6(10) and 8	683,746	5	703,953	6
1780	Intangible assets		41,720	-	8,518	-
1840	Deferred Income Tax Assets	6(28)	1,780	-	-	-
1900	Other Non-Current Assets	6(11)	1,331,600	10	650,211	6
15XX	Total Non-Current Assets		<u>10,408,224</u>	<u>80</u>	<u>7,997,528</u>	<u>70</u>
1XXX	Total Assets		<u>\$ 13,076,629</u>	<u>100</u>	<u>\$ 11,504,377</u>	<u>100</u>

(Continued)

Taiwan Mask Corporation
Parent Only Balance Sheets
December 31, 2022 and 2021

Unit: NT\$Thousand

Liabilities and Equities	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liabilities						
2100	Short Term Loans	6(12)	\$ 1,054,934	8	\$ 860,000	7
2120	Financial liabilities at fair value through profit or loss - Current	6(2)	5,697	-	-	-
2130	Contract Liabilities - Current	6(21)	57,323	1	7,660	-
2170	Accounts Payable		109,004	1	81,451	1
2200	Other Payables	6(13)	520,173	4	446,349	4
2230	Current Income Tax Liabilities		150,791	1	119,062	1
2280	Lease Liability - Current		30,682	-	28,054	-
2320	Long-term liabilities due within one year or one business cycle	6(15)	484,737	4	60,000	1
2399	Other Current Liabilities - Other		29,182	-	32,567	-
21XX	Total Current Liabilities		<u>2,442,523</u>	<u>19</u>	<u>1,635,143</u>	<u>14</u>
Non-current liabilities						
2530	Corporate bonds payable	6(14)	2,609,044	20	1,657,049	14
2540	Long-term Loans	6(15)	2,905,263	22	2,590,000	23
2570	Deferred Income Tax	6(28)	3,850	-	59	-
2580	Lease liability - Non Current		518,641	4	540,421	5
2640	Defined Benefit Liabilities - Non Current	6(16)	16,514	-	15,540	-
2645	Guarantee Deposits Received		33,874	-	4,805	-
25XX	Total Non-Current Liabilities		<u>6,087,186</u>	<u>46</u>	<u>4,807,874</u>	<u>42</u>
2XXX	Total Liabilities		<u>8,529,709</u>	<u>65</u>	<u>6,443,017</u>	<u>56</u>
Capital						
3110	Capital stock	6(17)	2,564,465	20	2,556,735	22
Capital surplus						
3200	Capital surplus	6(18)	1,251,681	10	1,315,828	11
Retained earnings						
3310	Legal reserve	6(19)	769,952	6	656,037	6
3320	Special reserve		-	-	-	-
3350	Unappropriated earnings		1,729,293	13	1,470,151	13
Other equity interests						
3400	Other equity interests	6(20)	10,508	-	4,032	-
3500	Treasury stock	6(17)	(1,778,979)	(14)	(941,423)	(8)
3XXX	Total Equities		<u>4,546,920</u>	<u>35</u>	<u>5,061,360</u>	<u>44</u>
Major Commitments and Contingencies 9						
Major Events after Financial Statement Date 11						
3X2X	Total Liabilities and Equities		<u>\$ 13,076,629</u>	<u>100</u>	<u>\$ 11,504,377</u>	<u>100</u>

The attached notes to the standalone financial statements are part of the standalone financial report.

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

Taiwan Mask Corporation
Parent Only Statement of Comprehensive Income
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand
(Except for earnings per share)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6 (21) and 7	\$ 3,887,648	100	\$ 2,773,339	100
5000 Operating costs	6(5)	(1,796,579)	(46)	(1,454,152)	(52)
5900 Gross profit		<u>2,091,069</u>	<u>54</u>	<u>1,319,187</u>	<u>48</u>
Operating expenses	6(26) (27)				
6100 Selling Expenses		(63,495)	(2)	(56,719)	(2)
6200 Administrative Expenses		(272,202)	(7)	(459,279)	(17)
6300 R&D Expenses		(92,972)	(2)	(64,936)	(2)
6450 Expected loss on credit impairment	12(2)	(821)	-	(117)	-
6000 Total Operating Expenses		<u>(429,490)</u>	<u>(11)</u>	<u>(581,051)</u>	<u>(21)</u>
6900 Operating profit		<u>1,661,579</u>	<u>43</u>	<u>738,136</u>	<u>27</u>
Non-operating income and expenses					
7100 Interest income	6(22)	11,798	-	3,264	-
7010 Other Incomes	6(23)	195,387	5	153,506	6
7020 Other Gains and Losses	6(24)	(205,013)	(5)	81,799	3
7050 Financial Costs	6(25)	(91,694)	(2)	(55,918)	(2)
7070 The share of subsidiaries, affiliates and joint venture profits and losses recognized by the equity method		(676,888)	(18)	403,041	14
7000 Total Non-Operating Incomes and Losses		<u>(766,410)</u>	<u>(20)</u>	<u>585,692</u>	<u>21</u>
7900 Earnings Before Tax		<u>895,169</u>	<u>23</u>	<u>1,323,828</u>	<u>48</u>
7950 Income Tax Expense	6(28)	(191,650)	(5)	(177,218)	(6)
8200 Net Income		<u>\$ 703,519</u>	<u>18</u>	<u>\$ 1,146,610</u>	<u>42</u>
Other Comprehensive Incomes (Net) Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Re-measurements of defined benefit plan	6(16)	(\$ 2,721)	-	\$ 1,011	-
8330 Profit and loss of subsidiaries, associates and joint ventures recognized by using equity method - Items that will not be reclassified to profit or loss		<u>65</u>	-	<u>178</u>	-
8310 Total items that will not be reclassified subsequently to profit or loss		<u>(2,656)</u>	-	<u>1,189</u>	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statement translation differences of foreign operations	6(20)	<u>6,476</u>	-	<u>3,143</u>	-
8360 Total Components of other comprehensive income that will be reclassified to profit or loss		<u>6,476</u>	-	<u>3,143</u>	-
8300 Other Comprehensive Incomes (Net)	6(26)	<u>\$ 3,820</u>	-	<u>\$ 4,332</u>	-
8500 Total comprehensive income for the year		<u>\$ 707,339</u>	<u>18</u>	<u>\$ 1,150,942</u>	<u>42</u>
Earnings per share	6(29)				
9750 Net Income (Loss)		<u>\$</u>	<u>3.37</u>	<u>\$</u>	<u>5.47</u>
9850 Diluted Earnings per share Net Income (Loss)	6(29)	<u>\$</u>	<u>3.12</u>	<u>\$</u>	<u>5.37</u>

The attached notes to the standalone financial statements are part of the standalone financial report.

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

Taiwan Mask Corporation
Parent Only Changes of Equity Statements
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand

	Notes	Retained earnings				Other equity interests			Treasury stock	Total Equity
		Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Financial statement translation differences of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income		
<u>2021</u>										
Balance as of 2021/1/1		\$ 2,527,136	\$ 439,898	\$ 587,990	\$ 2,666	\$ 814,617	\$ 3,555	(\$ 2,666)	(\$ 834,598)	\$ 3,538,598
Net Income		-	-	-	-	1,146,610	-	-	-	1,146,610
Other Comprehensive Profit or Loss	6(20)	-	-	-	-	1,189	3,143	-	-	4,332
Total comprehensive income for the year		-	-	-	-	1,147,799	3,143	-	-	1,150,942
Distribution and appropriation of earnings for 2020										
Legal capital reserve		-	-	68,047	-	(68,047)	-	-	-	-
Reversal of Special reserve		-	-	-	(2,666)	2,666	-	-	-	-
Cash dividends	6(19)	-	-	-	-	(379,071)	-	-	-	(379,071)
Conversion of convertible bonds	6(17)	29,599	216,415	-	-	-	-	-	-	246,014
Adjustment of capital reserve by dividends paid to subsidiaries	6(18)	-	55,622	-	-	-	-	-	-	55,622
Changes in shares of affiliates and joint ventures recognized under the equity method	6(18)	-	27,526	-	-	(47,813)	-	-	-	(20,287)
Share-based payment transaction	6(18)	-	169,174	-	-	-	-	-	-	169,174
Treasury Stock Buyback	6(17)	-	-	-	-	-	-	-	(828,884)	(828,884)
Treasury stocks transfer to employees	6(17)	-	-	-	-	-	-	-	722,059	722,059
Capital surplus - convertible bond stock options	6(18)	-	406,616	-	-	-	-	-	-	406,616
Acceptance of gifts from shareholders	6(18)	-	586	-	-	-	-	-	-	586
Payment of overdue unclaimed dividends to shareholders	6(18)	-	(9)	-	-	-	-	-	-	(9)
Balance as of 2021/12/31		\$ 2,556,735	\$ 1,315,828	\$ 656,037	\$ -	\$ 1,470,151	\$ 6,698	(\$ 2,666)	(\$ 941,423)	\$ 5,061,360
<u>2022</u>										
Balance January 1, 2022		\$ 2,556,735	\$ 1,315,828	\$ 656,037	\$ -	\$ 1,470,151	\$ 6,698	(\$ 2,666)	(\$ 941,423)	\$ 5,061,360
Net Income		-	-	-	-	703,519	-	-	-	703,519
Other Comprehensive Profit or Loss	6(20)	-	-	-	-	(2,656)	6,476	-	-	3,820
Total comprehensive income for the year		-	-	-	-	700,863	6,476	-	-	707,339
Distribution and appropriation of earnings for 2021										
Legal capital reserve		-	-	113,915	-	(113,915)	-	-	-	-
Cash dividends	6(19)	-	-	-	-	(241,189)	-	-	-	(241,189)
Conversion of convertible bonds	6(17)	7,730	55,472	-	-	-	-	-	-	63,202
Distribution of cash from capital surplus	6(18)	-	(241,189)	-	-	-	-	-	-	(241,189)
Adjustment of capital reserve by dividends paid to subsidiaries	6(18)	-	73,463	-	-	-	-	-	-	73,463
Changes in ownership interests in subsidiaries recognized	6(18)	-	10,169	-	-	(86,617)	-	-	-	(76,448)
Changes in shares of affiliates and joint ventures recognized under the equity method	6(18)	-	21,107	-	-	-	-	-	-	21,107
Share-based payment transaction	6(18)	-	16,831	-	-	-	-	-	-	16,831
Treasury Stock Buyback	6(17)	-	-	-	-	-	-	-	(842,536)	(842,536)
Treasury stock donation		-	-	-	-	-	-	-	4,980	4,980
Balance December 31, 2022		\$ 2,564,465	\$ 1,251,681	\$ 769,952	\$ -	\$ 1,729,293	\$ 13,174	(\$ 2,666)	(\$ 1,778,979)	\$ 4,546,920

The attached notes to the standalone financial statements are part of the standalone financial report.

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

Taiwan Mask Corporation
Parent Only Statements of Cash Flow
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand

	Notes	January 1 to December 31, 2021	January 1 to December 31, 2020
<u>Cash Flow from Operating Activities</u>			
Net Income(Loss) Before Tax		\$ 895,169	\$ 1,323,828
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities			
Revenues and Expenses			
Depreciation	6(26)	513,116	355,573
Amortization	6(26)	6,284	6,105
Expected loss on credit impairment	12(2)	821	117
Dividend income	6(23)	(33,682)	(3,288)
Interest income	6(22)	(11,799)	(3,264)
Interest Incomes	6(25)	91,694	55,918
Net Profit of Financial Asset at Fair Value Through Loss (Profit)	6(24)	114,183	(85,115)
Loss on disposal of investments	6(24)	119,316	(393)
Share-based payment transaction	6(17)	14,131	119,544
The Share of Subsidiaries and Affiliates Profits and Losses Recognized by the Equity Method		676,888	(403,041)
Property, plant and equipment reclassified as expenses	6(7)	116	-
The Changes of Assets/ Liabilities related to Operating Activities			
The Changes of Assets/ Liabilities related to Operating Activities			
Mandatory financial assets at fair value through profit or loss		(357,348)	(888,218)
Contract Assets		25,212	(36,957)
Notes Receivables		-	29
Accounts Receivables		(208,285)	(168,078)
Accounts Receivables – Related Parties		(4,413)	3,891
Other Receivables		(1,580)	(3,756)
Inventories		(8,820)	967
Prepayments		(67,468)	26,745
Other Current Assets		170	(323)
Net Changes of Liabilities related to Operating Activities			
Contract Liabilities		49,663	1,529
Accounts Payable		27,553	(27,592)
Other Payables		29,844	168,192
Other Current Liabilities		(3,385)	25,271
Defined Benefit Liabilities		(1,749)	(2,013)
Net Cash In-Flow from Operating		1,865,631	465,671
Dividends Received		70,496	26,243
Interest Received		10,066	3,245
Interest Paid		(90,670)	(56,986)
Income Tax Paid		(157,909)	(106,485)
Net Cash In-Flow from Operating Activities		<u>1,697,614</u>	<u>331,688</u>

(Continued)

Taiwan Mask Corporation
Parent Only Statements of Cash Flow
January 1 to December 31 of 2022 and 2021

Unit: NT\$Thousand

	<u>Notes</u>	<u>January 1 to December 31, 2021</u>	<u>January 1 to December 31, 2020</u>
<u>Cash Flow from Investment Activities</u>			
Acquisition of Amortized Cost Financial Assets		(\$ 187,349)	(\$ 3)
Acquisition of investment property by the Equity Method		-	(367,671)
Return of capital by investee company		-	180,000
Other Receivables—Related Parties		-	609,195
Acquisition of Property, Plants and Equipment	6(30)	(2,662,286)	(1,562,684)
Acquisition of Intangible Assets		(39,486)	(12,257)
Increase in refundable deposit		(2,370)	(4,956)
Net Cash Outflow from Investing Activities		<u>(2,891,491)</u>	<u>(1,158,376)</u>
<u>Cash Flows from Financing Activities</u>			
Increase of Short Term Loan	6(31)	5,662,100	2,960,484
Redemption of Short Term Loan	6(31)	(5,467,166)	(3,549,084)
Increase of Long Term Loan	6(31)	4,624,737	1,891,000
Redemption of Long Term Loan	6(31)	(3,884,737)	(962,427)
Issuance of ordinary/convertible corporate bonds	6(31)	997,095	2,297,099
Distribution of cash dividends (including capital surplus distribution cash)	6(19)	(482,378)	(379,071)
Treasury stocks transfer to employees		-	722,059
Cost of treasury stock buyback		(842,536)	(828,884)
Redemption of Lease Principal	6(31)	(29,737)	(19,912)
Increase in Guarantee Deposits Received	6(31)	29,069	436
Payment of overdue unclaimed dividends		-	(9)
Net Cash In-Flow (Out-Flow) from Funding Activities		<u>606,447</u>	<u>2,131,691</u>
Net increase (decrease) in cash and cash equivalents		<u>(587,430)</u>	<u>1,305,003</u>
Beginning Balance of Cash and Cash Equivalents		1,798,841	493,838
Ending Balance of Cash and Cash Equivalents		<u>\$ 1,211,411</u>	<u>\$ 1,798,841</u>

The attached notes to the standalone financial statements are part of the standalone financial report.

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

[Attachment 6]

Taiwan Mask Corporation
2022 Annual Profit Distribution Table



Unit: NTD

Items	Amount
Undistributed earnings at the beginning of the period	1,139,728,973
Add: Total amount of cash dividends distributed being adjusted due to the repurchase of treasury stocks	14,485,000
Adjusted undistributed earnings at the beginning of the period	1,154,213,973
The remeasurement of the defined benefit plan recognized in retained earnings.	(2,656,507)
Changes in shares of affiliates and joint ventures recognized under the equity method	(125,784,005)
Adjusted undistributed earnings	1,025,773,461
Net Income (Loss)	703,519,178
Less: Legal reserve	(57,507,867)
Less: Cash dividends (NT\$2.3 per share)	(556,511,393)
Undistributed earnings at the end of the period	1,115,273,379

Note:

1. Pursuant to Article 23-1 of the Company's Articles of Incorporation, the Company may authorize the board to distribute stock dividends and cash dividends wholly or partially in cash.
2. The distribution of cash dividends this time adopts the calculation method of "round down to the nearest dollar," fractions that do not amount to a full NT\$1 shall be added and recognized by the Company as other income.
3. While the distribution of earnings is kept at NT\$2.3 per share, if there are regulatory changes by the competent authority or changes to the Company's capital, such as conversion of convertible bonds into equity, which affect the number of shares outstanding before the dividends record date, the chairman is authorized to make changes to the profit distribution schedule, dividends record date and payment date and other relevant matters.

Chairman:



Managerial Officer:



Accounting Officer:



Taiwan Mask Corporation

Comparison of Amendments to the Articles of Incorporation

Amended Articles	Current provisions	Explanation
<p>Article 15</p> <p>The Company shall have <u>seven to nine directors</u> (including at least three independent directors and not less than one-fifth of the number of directors), whose terms of office shall be three years, and whose election shall be made by the candidate nomination system. The Company may purchase liability insurance for the Directors by resolution of the Board of Directors.</p>	<p>Article 15</p> <p>The Company shall have five to seven directors (including at least three independent directors and not less than one-fifth of the number of directors), whose terms of office shall be three years, and whose election shall be made by the candidate nomination system The Company may purchase liability insurance for the Directors by resolution of the Board of Directors.</p>	<p>Amended in accordance with practical needs.</p>
<p>Article 26</p> <p>The Articles of Incorporation were established on October 7, 1988. The 1st amendment was made on May 29, 1990. The 2nd amendment was made on April 2, 1991, and the 3rd amendment was made on May 4, 1992. The 4th amendment was made on April 26, 1994. The 5th amendment was made on May 28, 1994. The 6th amendment was made on June 6, 1995. The 7th amendment was made on June 1, 1996. The 8th amendment was made on May 21, 1997. The 9th amendment was made on May 21, 1998. The 10th amendment was made on May 5, 1999. The 11th amendment was made on June 12, 2000. The 12th amendment was made on April 24, 2001. The 13th amendment was made on May 28, 2002. The 14th amendment was made on June 3, 2003. The 15th amendment was made on June 24, 2004. The 16th amendment was made on June 12, 2006. The 17th amendment was made on June 18, 2010. The 18th amendment was made on June 22, 2011. The 19th amendment was made on</p>	<p>Article 26</p> <p>The Articles of Incorporation were established on October 7, 1988. The 1st amendment was made on May 29, 1990. The 2nd amendment was made on April 2, 1991, and the 3rd amendment was made on May 4, 1992. The 4th amendment was made on April 26, 1994. The 5th amendment was made on May 28, 1994. The 6th amendment was made on June 6, 1995. The 7th amendment was made on June 1, 1996. The 8th amendment was made on May 21, 1997. The 9th amendment was made on May 21, 1998. The 10th amendment was made on May 5, 1999. The 11th amendment was made on June 12, 2000. The 12th amendment was made on April 24, 2001. The 13th amendment was made on May 28, 2002. The 14th amendment was made on June 3, 2003. The 15th amendment was made on June 24, 2004. The 16th amendment was made on June 12, 2006. The 17th</p>	<p>Added the date of amendment</p>

Amended Articles	Current provisions	Explanation
<p>June 23, 2016. The 20th amendment was made on June 23, 2017. The 21st amendment was made on June 11, 2019. The 22nd amendment was made on June 10, 2020. The 23rd amendment was made on May 26, 2022. <u>The 24th amendment was made on May 24, 2023.</u></p>	<p>amendment was made on June 18, 2010. The 18th amendment was made on June 22, 2011. The 19th amendment was made on June 23, 2016. The 20th amendment was made on June 23, 2017. The 21st amendment was made on June 11, 2019. The 22nd amendment was made on June 10, 2020. The 23rd amendment was made on May 26, 2022.</p>	

[Attachment 8]

List of director (including independent director) candidates

Order	Candidate type	Account No.	Name	Academic Qualification	Experience	Current Position	No. of shares held
1	Director	187613	Sean Chen	Department of Physics at National Central University Physics Syracuse University, MS. Computer Science	Director, Tachun Venture Capital Co., Ltd. Director, Antario Corporation Chief Executive Officer, xFuture Ltd. Executive Vice President, GLMS Group (NTT Com Asia Partner) Director of Business Unit, AVerMedia Technologies, Inc. Chief Executive Officer and Co-Founder, Goosean Media Inc. Assistant Vice President, Sales Consultation, Oracle Corporation Asia Pacific, Greater China region Manager, Application Software Development Group, Oracle Corporation USA Headquarter IT Manager, Taiwan Semiconductor Manufacturing Company Limited	Chairman, Taiwan Mask Corporation Chief Executive Officer, USA's N2 Connectivity Inc Chairman, Jaas data inc. Director, Xsense Technology Corporation (B.V.I.) Taiwan Branch Director, BKS Tec Corp. President, Ontario Capital Co., Ltd.	2,000,000
2	Director	224012	Lidon Chen	Bachelor's degree from Department of Physics at Tamkang University Master's degree from Department of Atmospheric Sciences at National Central University	General Manager of Xintec Inc. General Manager of DelSolar Co., Ltd.	Director and President of Taiwan Mask Corporation Chairman, Xsense Technology Corporation (B.V.I.) Taiwan Branch Director of Digital-Can Tech. Co., Ltd. Director, Aptos Technology INC. Director of Weida Hi-Tech Co., Ltd. Director of Moment Semiconductor, Inc.	2,750,000
3	Director	187750	Chao-Yi Wu	Bachelor, National Chiao Tung University Master's degree, Cornell University, USA	Manufacturing and Engineering Department, Wintec Industries Inc. Management Department, Sinyi Realty Inc., Japan Account Manager, Browave Corporation President, Browave Corporation Japan	Chairperson, Taiwan Mask Corporation President, Browave Corporation Japan Director, Browave Corporation Chairman, Ontario Capital Co., Ltd.	9,907,000

Order	Candidate type	Account No.	Name	Academic Qualification	Experience	Current Position	No. of shares held
4	Director	196562	Youe Chung Capital Corporation Representative: Ming-Chung Chang	EMBA from National Central University	Senior Vice President, Delta Electronics Co., Ltd. Director, Delta Electronics Co., Ltd. Director, Delta Electronics Foundation		36,731,440
5	Independence Director	Non-shareholder	Wei-Chen Wang	Department of Accounting, National Chengchi University	CPA, PwC Taiwan	Independent director, Taiwan Mask Corporation Independent director, Ennostar Inc. Independent director, Feature Integration Technology Inc. Independent director, Etron Technology CPA, Zhicheng Hexing CPA Firm	0
6	Independence Director	92965	Huan-Kuei Cheng	Master of Business Administration, Saginaw Valley State University, Michigan, USA	Director, National Chung-Shan Institute of Science and Technology Director, Browave Corporation Supervisor, National Chung-Shan Institute of Science and Technology Assistant Professor, Graduate Institute of Accounting, Soochow University	Independent director, Taiwan Mask Corporation Director, National Chung-Shan Institute of Science and Technology Executive Committee Member of the Performance Evaluation of Outside Board of Directors of the Taiwan Corporate Governance Association Assistant Professor, Graduate Institute of Accounting, Soochow University	6,051
7	Independence Director	281862	Hui-Fen Chan	Master of Law, Boston University National Taiwan University Bachelor of Law	Taiwan Attorney and New York State Attorney Qualification Chief Legal Officer, Altek Corporation Head of Legal Affairs, Siliconware Precision Partner Attorney, H. L. Partners Attorney, Lee and Li	Independent director, Taiwan Mask Corporation Independent director, ITEQ Corporation, Independent director, Chipmos Technologies Inc. Independent Director, Formosa I Wind Power Co., Ltd. (Note 1) Chairman of Keep Enlightenment Management Consulting Co., Ltd. Chairman, Keep Enlightenment Marketing Corp.	7,000

Note 1: Formosa I Wind Power Co., Ltd. is not a public company.

[Attachment 9]

List of newly-appointed directors and their representatives concurrently holding positions in other companies

Category	Director	Name of other company and position held there	Description of main businesses
Director	Sean Chen	Chief Executive Officer, USA's N2 Connectivity Inc	Wire distributor
		Chairman, Jaas data inc.	Wholesale of computer software and consulting
		Director, Xsense Technology Corporation (B.V.I.) Taiwan Branch	Electronics Components Manufacturing
		Director, BKS Tec Corp.	Trading of electronic materials and instruments
		President, Ontario Capital Co., Ltd.	General investment
Director	Lidon Chen	Chairman, Xsense Technology Corporation (B.V.I.) Taiwan Branch	Electronics Components Manufacturing
		Director of Digital-Can Tech. Co., Ltd.	Mechanical equipment and electronic parts manufacturing
		Director, Aptos Technology INC.	Electronics Components Manufacturing
		Director of Weida Hi-Tech Co., Ltd.	Design of control IC for touch panels
		Director of Moment Semiconductor, Inc.	Trading of electronic materials
Director	Chao-Yi Wu	President, Browave Corporation Japan	Trading of electronic materials
		Director, Browave Corporation	Trading of electronic materials and instruments
		Chairman, Ontario Capital Co., Ltd.	General investment
Independent Director	Wei-Chen Wang	Independent director, Feature Integration Technology Inc.	Computer IC products
		Independent director, Etron Technology	IC design
		Independent director, Ennostar Inc.	General investment
Independent Director	Huan-Kuei Cheng	Director, National Chung-Shan Institute of Science and Technology	National scientific research
Independent Director	Hui-Fen Chan	Independent director, ITEQ Corporation,	Printed circuit board

		Independent director, Chipmos Technologies Inc.	IC packaging and testing
		Independent Director, Formosa I Wind Power Co., Ltd.	Wind power generation
		Chairman of Keep Enlightenment Management Consulting Co., Ltd.	Management consulting
		Chairman, Keep Enlightenment Marketing Corp.	General investment

[Appendix 1]

Taiwan Mask Corporation
Articles of Incorporation (before amendment)

May 26, 2022

The amendment was approved by the 2022 general meeting.

Chapter 1 General provisions

- Article 1 The Company shall be organized under the provisions of the Company Act and shall be known in English as TAIWAN MASK CORPORATION.
- Article 2 The business of the Company shall be as follows:
CC01080 Electronics Components Manufacturing.
F401010 International trade
I. Research and development, production, manufacturing and sales of photomask.
II. To provide technical assistance, consulting, testing and certification, maintenance and repair services relating to the aforesaid products.
- Article 2-1 When the Company is a limited liability shareholder of another company, the total amount of its investment shall not exceed 40% of the paid-in capital as provided in Article 13 of the Company Act.
- Article 3 The Company shall establish its head office in the Hsinchu Science Park, and may establish branches outside of Taiwan only with the resolution of the Board of Directors and the consent of the competent authorities when necessary.
- Article 4 The Company may act as a guarantor to external parties.
- Article 5 Deleted

Chapter 2 Shares

- Article 6 The total capital of the Company is set at NT\$5 billion, divided into 500 million shares (including 20 million shares of employee stock options), all of which are common shares with an amount of NT\$10 per share, of which the unissued shares are authorized to be issued by the Board of Directors in installments.
- Article 6-1 Deleted
- Article 7 Deleted
- Article 8 The shares of the Company shall be in registered form, numbered, signed or sealed by the directors representing the Company, and issued after obtaining a certification from a bank permitted by the competent authority for issuance and certification of stocks. The shares issued by the Company may be exempted from printing stocks in accordance with the Company Act, but the shares should be registered with the centralized securities depository institution.
- Article 9 Changes in the shareholder roster of the Company shall cease not later than 60 days prior to the date of the regular shareholders' meeting, not later than 30 days prior to the date of the special shareholders' meeting, or not later than five days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

Article 10 Deleted

Chapter 3 Shareholders' meeting

- Article 11 There shall be two types of shareholders' meetings: regular meetings shall be held once a year, within six months after the end of each fiscal year, convened by the board of directors in accordance with law, and extraordinary meetings shall be convened when necessary in accordance with law.
- I. An regular shareholders' meeting shall be held at least once a year, within six months after the end of each fiscal year, by the Board of Directors in accordance with the law..
 - II. The special shareholders' meeting may be convened when necessary in accordance with the law..
 - III. The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 12 When a shareholder is unable to attend the shareholder meeting for some reason, the proxy form issued by the Company shall be provided, specifying the scope of authorization, and a proxy shall be appointed to attend.
- Article 13 The shareholders of the Company shall have one voting right per share unless otherwise provided for in the relevant laws.
- Article 14 Unless otherwise required by the Company Act, a resolution in a shareholder meeting should be made with the presence of shareholders representing a majority of the total number of outstanding shares and with the consent of a majority of the voting rights of the shareholders present.

Chapter 4 Directors and Audit Committee

- Article 15 The Company shall have five to seven directors (including at least three independent directors and not less than one-fifth of the number of directors), whose terms of office shall be three years, and whose election shall be made by the candidate nomination system The Company may purchase liability insurance for the Directors by resolution of the Board of Directors.
- Article 15-1 The Company shall have an audit committee consisting of all independent directors, the number of which shall not be less than three, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.
- Article 16 The total amount of shares held by all directors of the Company shall be subject to the provisions of Article 26, Paragraph 2 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.
- Article 17 The Board of Directors shall be organized by the Directors, and the Directors shall attend the Board of Directors' meetings in person, or if they are unable to attend for any reason, they may appoint another Director to attend by proxy. At a meeting of the Board of Directors, two-thirds or more of the Directors shall attend and a majority of the Directors present shall agree to elect from among themselves a

chairman of the Board of Directors, who shall represent the Company externally. The Board of Directors shall meet at least once a quarter. The Company's Board of Directors shall convene a meeting by giving seven days' notice to each Director. However, in case of emergency, the Board of Directors may meet at any time. The foregoing notice shall be given in writing, by e-mail or by facsimile, stating the causes and subjects of the meeting.

Article 18 Resolutions regarding significant matters of the Company shall be passed by a majority of the Board of Directors with at least two-thirds of the Directors present, and the significant matters that shall be specially resolved in accordance with this Article are as follows:

- I. Change of the Articles of Incorporation.
- II. Review of budget and final business and accounting reports.
- III. Proposal for dissolution, division or merger of the Company with other companies.
- IV. Proposal for a resolution to distribute earnings or to make up losses.
- V. The approval of endorsements, acceptances, guarantees and commitments in the name of the Company.
- VI. Approval for financing, guarantees, acceptances, and other external advances and loans from financial institutions.
- VII. Approval to invest in other businesses.

If the resolution of the Board of Directors on the significant issues mentioned above is also subject to the resolution of the shareholders' meeting, the resolution of the Board of Directors shall be submitted to the shareholders' meeting for resolution afterwards.

Article 19 If the chairman of the board of directors is absent from office or is unable to exercise his or her duties for any reason, his or her proxy shall be governed by Article 208 of the Company Act.

Article 20 The remuneration of the Company's directors shall be determined by the Board of Directors with reference to the extent of each director's participation in the Company's operations and the value of his or her contribution, and with reference to the usual level of domestic and foreign industry payment standards.

Chapter 5 Managerial Officer

Article 21 The Company may have a number of managerial officers whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 22 At the end of each fiscal year, the Company's Board of Directors shall prepare:

- I. Business Report:
- II. Financial statements
- III. Earnings distribution or losses make-up proposal

The business and accounting reports shall be submitted to the shareholders for adoption in accordance with the law.

Article 23 The Company shall distribute not less than 10% of the current year's profit situation for employee remuneration and not more than 2% of current year's profit situation for director remuneration. However, profits must first be taken to offset against

cumulative losses, if any.

Employee remuneration, as mentioned above, can be paid in cash or in shares. Qualified employees of subsidiaries are also included in the payment.

Current year profit situation as mentioned in the first paragraph refers to the profit which is the current year's pre-tax profit before distribution of employee remuneration and directors remuneration.

The distribution of employee and director remuneration shall be executed after the resolution approval at the Board meeting with more than two-thirds of directors attending and of more than half of the attending directors agreed and passed the resolution, and reported to the shareholders meeting.

- Article 23-1 If the Company has any surplus in earnings after annual accounting close, the Company shall first pay tax, make up for accumulated loss of previous years and then set aside 10% as legal reserve. However, if legal reserve balance has reached the Company's paid-in capital, no more legal reserve should be provided for, and the remainder may be appropriated or reversed as a special reserve in accordance with the law or the regulations of the competent authorities. If there is still surplus, the remainder shall be added to the accumulated undistributed earnings and the board of directors shall prepare an earnings distribution proposal. If the distribution is made by issuing new shares, the distribution shall be approved by the shareholders' meeting;
- If the Company distributes all or part of the dividends and bonuses or legal reserve and capital surplus in the form of cash, the Board of Directors is authorized to do so with the presence of at least two-thirds of the directors and the approval of a majority of the directors present, and to report to the shareholders' meeting.

- Article 23-2 The Company takes into account the overall business environment, industrial growth, and the Company's long-term financial planning for stable operation and development to adopt a residual dividend policy, which is mainly based on the Company's future capital budgeting plan to measure the annual capital needs. After using the retained earnings for funding, the remaining surplus will be distributed in the form of dividends.
- Steps for distribution as below:
- I. Decide on the best capital budget.
 - II. Decide on the financing required for one of the capital budgeting items.
 - III. Decide on the amount of the financing to be supported by retained earnings (methods such as cash capital increase or corporate bonds and so on can be adopted as support).
 - IV. After retaining the portion required for operation needs out of the earnings remainder, the rest should be distributed to shareholders in the form of dividends. Cash dividends distribution proportion should not be lower than 20% of the total amount of dividends for the distribution proportion of the Company's dividends.

Chapter 7 Supplementary Provisions

- Article 24 The directors, managerial officers and employees of the Company shall not disclose or divulge to others the confidential documents of the Company or the confidential

information on technology, markets, products, etc. obtained through their participation in the operation of the Company.

Detailed confidential information on technology, markets, products, etc. of the Company shall not be reported to the shareholders' meeting without the consent of a majority of the shareholders present and voting on behalf of at least two-thirds of the total number of issued shares.

Article 25 Matters not provided for in these Articles of Incorporation shall be governed by the provisions of the Company Act and other relevant laws and regulations.

Article 26 The Articles of Incorporation were established on October 7, 1988. The 1st amendment was made on May 29, 1990. The 2nd amendment was made on April 2, 1991, and the 3rd amendment was made on May 4, 1992. The 4th amendment was made on April 26, 1994. The 5th amendment was made on May 28, 1994. The 6th amendment was made on June 6, 1995. The 7th amendment was made on June 1, 1996. The 8th amendment was made on May 21, 1997. The 9th amendment was made on May 21, 1998. The 10th amendment was made on May 5, 1999. The 11th amendment was made on June 12, 2000. The 12th amendment was made on April 24, 2001. The 13th amendment was made on May 28, 2002. The 14th amendment was made on June 3, 2003. The 15th amendment was made on June 24, 2004. The 16th amendment was made on June 12, 2006. The 17th amendment was made on June 18, 2010. The 18th amendment was made on June 22, 2011. The 19th amendment was made on June 23, 2016. The 20th amendment was made on June 23, 2017. The 21st amendment was made on June 11, 2019. The 22nd amendment was made on June 10, 2020. The 23rd amendment was made on May 26, 2022.

Taiwan Mask Corporation



Sean Chen, Chairman



[Appendix 2]

Taiwan Mask Corporation Procedures for Election of Directors

Article 1: The election and appointment of the Company's Directors shall be handled in accordance with these regulations, unless otherwise provided by laws or regulations.

Article 2: The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's Directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

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

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

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other Director.

The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 3: The qualifications for the independent Directors of the Company shall comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

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

Article 4: Elections of both Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

If for any reason the number of Directors is less than five, the Company shall hold a by-election at the most recent Shareholders’ Meeting. However, if the number of Directors’ vacancies reaches one-third of the number of seats set forth in the Articles of Incorporation, the Company shall convene an interim meeting of shareholders to hold a by-election within 60 days from the date of occurrence of the fact.

When the number of independent Directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next Shareholders Meeting to fill the vacancy. When the independent Directors are dismissed en masse, a special Shareholders Meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 5: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 6: The Board of Directors shall prepare separate ballots for Directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the Shareholders Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7: The number of Directors will be as specified in the Company’s Articles of Incorporation, with voting rights separately calculated for independent and non-independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

Article 8: Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel, among other assigned duties. The ballot boxes shall be prepared by the Board

of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9: The person to be elected as a Director shall be a person of capacity. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 10: A ballot is invalid under any of the following circumstances:

1. The ballots prepared by the person with the right to convene are not used.
2. A blank ballot is placed in the ballot box,
3. The writing is unclear and indecipherable or has been altered.
4. The name of the candidate does not match the list of nominated candidates for Director.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.

Article 11: Ballots will be opened on the spot after voting, and the result of the balloting shall be announced by the chairman.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.

If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 12: The Procedures shall be adopted and implemented after approval in the Shareholders' Meeting and shall be amended in the same manner.

§ Versions §

Version 1 Entered into effect on June 15, 2007.

Version 2 Amended on June 25, 2015.

Version 3 Amended on June 23, 2017.

Version 4 Amended on May 31, 2021.

[Appendix 3]

Taiwan Mask Corporation
Rules of Procedure for Shareholders' Meetings

July 5, 2021

The amendment was approved by the 2021 regular shareholders' meeting

- I. The shareholders' meetings of the Company shall be conducted in accordance with the rules unless otherwise provided by law.
- II. The Company should furnish a signature book for attending shareholders, or the attending shareholders may hand in a sign-in card instead.
The number of shares present shall be calculated based on the signature book or the sign-in card submitted.
- III. Voting in a shareholders' meeting should be calculated based on numbers of shares.
The shareholders' meeting shall be held at the Company's location or at a place convenient for shareholders to attend and suitable for the shareholders' meeting, and the meeting shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.
- V. The chairman should chair the meeting convened by the chairperson. Vice-chairman is to chair the meeting on behalf of the chairman if the chairman takes the day off or for any reason cannot exercise the power. The chairman is to appoint a managing director on behalf of the vice-chairman if the vice-chairman cannot attend the meeting due to the aforementioned reasons. A director is assigned if there is no managing director. In the event that the chairman does not appoint anyone, the managing director or the directors are to recommend one person.
If the shareholders' meeting is convened by someone with the convening right but other than the Board of Directors, the chairperson of the meeting shall be the person with the convening right, and if there are more than two such persons, one of them shall be elected as the chairperson of the meeting.
- VI. The Company may appoint lawyers, CPAs or related personnel to sit in the shareholders' meetings.
The personnel administering the shareholders' meeting should wear identification cards or armbands.
- VII. Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 1 year
- VIII. The chairperson should call the meeting to order at the scheduled meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement. No more than two such postponements, for a combined total of no more than one hour, may be made. When there are still insufficient attending shareholders representing more than one-third of the total issued shares after two postponements, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act
Before the conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the chairperson may submit a tentative resolution for voting by the shareholder meeting in accordance with Article 174 of the Company Act.
- IX. If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting should proceed in the order set by the agenda, which may not be changed without a resolution of the shareholder meeting.

If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis. The chairperson must not declare the meeting adjourned before conclusion of the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholder meeting.

- X. When discussing proposals, the proposals shall be discussed in the order of the agenda. The chairperson shall stop any speaker who violates the procedures. In addition to the motions listed on the agenda, any other motions, amendments or substitutions of original motions proposed by the shareholders shall be seconded by other shareholders, and the shares represented by the proposer and the seconder shall reach 10% of the total number of issued common shares.
- XI. Before speaking, an attending shareholder must specify the subject of the speech on a speaker slip, his or her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chairperson. Shareholders who have just prepared the speech memo without taking the floor for delivery of speech shall be deemed no delivery of speech. In case the content of the speech delivered on the floor is irrelevant with the content in the speech memo, the latter shall prevail. When a shareholder is having the floor, all other shareholders shall not interfere unless at the consent of the chairperson or the shareholder who is taking the floor. Any unrestrained action shall be discouraged by the chair.
- XII. A shareholder may not speak more than twice on the same proposal and each time shall not exceed five minutes.
If the shareholder's speech violates the rules or exceeds the scope of the topic, the chairperson may terminate the speech.
- XIII. When an institution is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- XIV. After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.
- XV. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to voting, the chairperson may announce the discussion closed, call for voting, and schedule sufficient time for voting.
- XVI. Monitoring and counting personnel for voting on a proposal shall be appointed by the chairperson, but all monitoring personnel should be shareholders. Voting results shall be made known on-site immediately and recorded in writing.
- XVII. When a meeting is in progress, the chairperson may announce a break based on time considerations
- XVIII. Unless otherwise required by the Company Act and by the Company's Article of Incorporation, the approval of a proposal shall require an affirmative vote of a majority of the voting rights of the attending shareholders.
For the motion that the chairperson consults every attending shareholder without any objection, it is considered passed with the same effectiveness as the voting.
- XIX. For the amendment or substitute of the same motion, the chairperson is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the

other proposals are viewed as denied and no more voting will be conducted.

XX. The chairperson may direct proctors (or security personnel) to help maintain order in the meeting place. The proctors (or security personnel) help maintaining order at the meeting place shall wear an identification card or armband bearing the word "Proctor."

XXI. The rules shall come into force after approved by the shareholders' meeting, and the same applies to any amendment.

[Appendix 4]

**Taiwan Mask Corporation
Shareholding of all directors**

- I. The Company has a paid-in capital of NT\$2,564,464,750 and has issued 256,446,475 shares of common stock, and has an audit committee with all independent directors in place of supervisors in accordance with Article 14-4 of the “Securities and Exchange Act”.
- II. In accordance with Article 26 of the Securities and Exchange Act and the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, if two or more independent directors are elected, the shareholding percentage of all directors other than independent directors shall be reduced to 80%, and the minimum number of shares to be held by all directors other than independent directors of the Company shall be 12,000,000 shares.
- III. As of March 26, 2023, the date of stock transfer suspension of the shareholders’ meeting, the number of shares held by each individual and all directors as recorded in the shareholder roster is as follows:

As of 2023.03.26

Job title	Name	No. of shares held	Holding percentage (%)
Chairman	Sean Chen	2,000,000	0.78
Director	Lidon Chen	2,750,000	1.07
Director	Chao-Yi Wu	9,907,000	3.86
Director	Fushuo Investment Co., Ltd. Representative: Martin Chu	4,364,000	1.70
Independent Director	Wei-Chen Wang	0	0.00
Independent Director	Huan-Kuei Cheng	6,051	0.00
Independent Director	Hui-Fen Chan	7,000	0.00
Overall Directors’ Shareholding Position (Excluding Independent Directors)		19,021,000	7.41

- IV. The total number of shares held by all directors of the Company, other than independent directors, has reached the legally required percentage.