



Stock Code: 2338

Taiwan Mask Corporation

2024 Annual General Meeting

Handbook

Time: 09:00 am, May 27, 2024

Location: No. 188, Section 2, Zhonghua Road, East District, Hsinchu City
(13th Floor, Conference Room, Ambassador Hotel)

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Taiwan Mask Corporation Procedures for 2024 Annual General Meeting

- I. Call the meeting to order
- II. Chairperson taking position
- III. Chairperson speech
- IV. Report
- V. Adoption
- VI. Discussion
- VII. Extempore motions
- VIII. Adjournment

(The chair may order to vote on a case or to vote on all or part of a motion before extempore motions are carried out.)

Taiwan Mask Corporation

Agenda for 2024 Annual General Meeting

- I. Time: 09:00 am, May 27, 2024 (Monday)
- II. Location: No. 188, Section 2, Zhonghua Road, East District, Hsinchu City (13th Floor, Conference Room, Ambassador Hotel)
- III. The way the meeting is held: Physical shareholders' meeting
- IV. Attendance: All shareholders and equity representatives
- V. Chairperson: Chairman Sean Chen
- VI. Chairperson speech
- VII. Report:
 - (I) The Company's 2023 Business Report.
 - (II) Report on the Audit Committee's review of the Company's 2023 business and accounting reports.
 - (III) Report on the Company's distribution of employees and directors' profit-sharing remuneration for 2023.
 - (IV) Report on the 2023 profit and distribution of cash dividends.
 - (V) Report on the endorsement and guarantee of the Company and its subsidiaries for 2023.
 - (VI) Report on the Company's domestic secured corporate bonds.
 - (VII) Report on the status of the issue of common shares by private placement approved by the 2023 annual general meeting.
- VIII. Adoption:
 - Motion 1: The Company's 2023 business report and financial statements.
 - Motion 2: The Company's 2023 earnings distribution.
- IX. Discussion:
 - Motion 1: Amendment to provisions of the Company's Articles of Incorporation.
 - Motion 2: Private placement of securities.
- X. Extempore motions.
- XI. Adjournment.

Report:

- I. Present the 2023 business report for review. Proposed by the Board of Directors
Explanation: Please refer to Attachment 1 on page 12 of the meeting handbook for the Company's 2023 business report.

- II. Present the 2023 business and accounting reports which have been audited by the Audit Committee for review. Proposed by the Board of Directors
Explanation: For the Audit Committee's Report, please refer to Attachment 2 on page 14 of this Handbook.

- III. The Company's distribution of employees and directors' profit sharing remuneration for 2023 is hereby presented for your review. Proposed by the Board of Directors
Explanation: The 2023 remuneration for employees and directors has been approved by the board resolution at the meeting held on March 6, 2024. According to the Articles of Incorporation, NT\$12,000,000, or 1.70% of the profit, is allocated as director remuneration; NT\$80,000,000, or 11.36% of the profit, is allocated as employee remuneration, all of which will be paid in cash.

- IV. Report on the 2023 profit and distribution of cash dividends for review. Proposed by the Board of Directors
Explanation: (I) 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.
(II) The 2023 profit distribution allocates NT\$1.5 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.
(III) While the aforementioned distribution of earnings is kept at NT\$1.5 per share, if there are regulatory changes by the competent authority or changes to the Company's capital prior to the record date, 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.

V. The endorsement and guarantee of the Company and its subsidiaries for 2023 are hereby presented for your review. Proposed by the Board of Directors

Explanation: (I) 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.

(II) Please refer to Attachment 3 on page 15 of this Handbook for details of the Company's and its subsidiaries' 2023 endorsement and guarantee.

VI. Report on the Company's domestic secured corporate bonds for review. Proposed by the Board of Directors

Explanation: (I) The Company was approved by the board at the meeting held on August 4, 2023 to issue secured corporate bonds no more than NT\$1 billion to repay loans from financial institutions or raise working capital.

(II) In 2023, the Company issued domestic secured corporate bonds in NTD twice, with a total amount of NT\$800 million. The amount and terms of each issue are as follows:

Bond period	Date of issue (year/month/day)	Amount Issued (NT\$)	Term (year)	Annual interest rate (fixed) (%)	Maturity date (year/month/day)	Guaranteeing bank
2023 1st	08/28/2023	NT\$300 million	5 years	1.62%	08/28/2028	Taiwan Cooperative Bank
2023 2nd	12/12/2023	NT\$500 million	5 years	1.80%	12/12/2028	Hua Nan Commercial Bank , Ltd
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 2023 annual general meeting for review. Proposed by the Board of Directors.

Explanation: (I) The annual general meeting on May 24, 2023 resolved to approve the issuance of no more than 75,000 thousand common shares by private placement for capital increase on cash. 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 shareholder meeting resolution.

(II) Considering that the issuance period will soon reach the deadline, the issue of common shares by private placement approved by the 2023 annual general meeting will not continue from now till the deadline after the board resolution.

Adoption:

Motion 1: (Proposed by the Board of Directors)

Subject: Present the Company's 2023 business report and financial statements for ratification.

Explanation: (I) The 2023 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 on page 12, Attachments 4 and 5 on pp. 16-38.

Resolution:

Motion 2: (Proposed by the Board of Directors)

Subject: Present the Company's 2023 profit distribution for ratification.

Explanation: (I) The Company's 2023 earnings distribution proposal has been approved by the Audit Committee and the Board of Directors, and please refer to Attachment 6 on page 39 of this Handbook for the earnings distribution schedule.

Resolution:

Discussion Topics

Motion 1: (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 provisions of the Articles of Incorporation. For the comparison table of the amended provisions, please refer to Attachment 7 on pp. 40-41.

Resolution:

Motion 2: (Proposed by the Board of Directors)

Subject: Private placement of marketable securities, submitted for resolution.

Explanation: (I) In order to increase the Company's working capital, and/or to expand the plant and purchase machinery and equipment to improve operational scaling and/or to repay loans to improve the Company's financial structure and/or to better respond to other funding needs for the long-term development of the Company, the Company intends to issue ordinary shares or domestic convertible bonds through private placement in accordance with the provisions set forth in Article 43-6 of the Securities and Exchange Act. The total number of shares to be issued will not exceed 75,000 thousand shares (including the number of ordinary shares converted from domestic convertible bonds at the conversion price on the day of the private placement), with a par value of NT\$10 per share. It is intended to propose to the shareholders' meeting to authorize the Board of Directors to, depending on the market conditions and the Company's actual capital and operational needs, conduct the private placement at an appropriate time in one to three installments, using a single method or a combination of methods, within one year from the date of the resolution being adopted at the shareholders' meeting.

(II) The private placement shall, in accordance with Article 43-6 of the Securities and Exchange Act, be justified as follows:

1. The basis and reasonableness of the private placement price:

A. Private placement of common shares

The issue price of this private placement of common shares should be not less than 80% of the reference price' is the basis for the determining the private placement price or that the 'issue price. The reference price is set

based on the higher of the following two standards:

- a. Calculate the simple average of the closing price of the common stock 1, 3, or 5 business days prior to the pricing day, deduct the ex-right and ex-dividend shares of the stock dividend, and add the stock price after decapitalization and reversal of the ex-right.
 - b. The simple average of the closing price of the common stock for the 30 business days prior to the pricing day minus the ex-right and ex-dividend shares paid as dividend, plus the stock price after decapitalization and reversal of ex-right.
- B. Private placement of domestic unsecured convertible bonds
- a. Denomination: NT\$100,000 or an integer multiple thereof.
 - b. Issue period: Not more than five years from the date of issue.
 - c. Coupon rate: 0%
 - d. The price for issuing domestic convertible bonds shall not be lower than 80% of the theoretical price. The pricing model of the theoretical price shall, as a whole, encompass and include the concurrent consideration of the various rights included in the terms of issuance. The conversion price shall not be lower than 80% of the price determined by the following calculation, whichever is higher:
 - (1) The share price, after deducting the value of bonus shares issued as stock dividends and cash dividends and adding back the value of the shares canceled in connection with capital reduction, based on the simple arithmetic average of the closing price of the ordinary shares of the Company on the first, third or fifth trading day prior to the pricing date.
 - (2) The simple arithmetical average closing price of the ordinary shares of the Company for thirty trading days prior to the pricing date after deducting the value of bonus shares issued as stock dividends and cash dividends, and adding back the value of the shares canceled in connection with capital reduction.
- C. The actual private placement price and the actual pricing date are proposed to be set by the shareholders' meeting within the range of the resolution, and the board of directors authorized to determine said price based on market and company conditions and the situation of the selected strategic investors. The basis for the above-mentioned private placement price complies with the

provisions of “Notes for Public Companies Conducting Private Placements of Securities” and thus should be reasonable.

2. The method, purpose, necessity, and expected benefits of selecting the specific entity:

The subjects of the Private Placement are limited to the specified entity in compliance with Article 43-6 of the Securities and Exchange Act. Potential entity include banking, bills, trust, insurance, securities or other legal persons or institutions approved by the competent authority, Strategic investors of natural persons, legal persons, or funds who meet the conditions set by the competent authority, who have a substantial understanding of the Company’s operations or industry development, and who will directly or indirectly benefit the Company’s future operations, but have not yet determined entity.

The selection of the offerees is necessary and is made in response to the needs of the Company’s operations and development, and it is intended that the offerees directly or indirectly assist the Company in finance, business, production, technology, procurement, management, strategy, industry integration, or sustainable development, in order to strengthen the Company’s competitiveness and improve operational efficiency and long-term development, which should be beneficial in enhancing the Company’s competitiveness and shareholders' equity. It is intended to authorize the board of directors to review the relevant qualifications of the offerees’.

3. Reasons for conducting the private placement:

Private placement is a quick and easy way to introduce strategic investors. Private placement of securities has transfer restrictions and can better ensure long-term cooperation between the company and strategic investors. In addition, the board of directors being authorized to determine the actual operational needs of the company to be fulfilled by the private placement will also effectively improve the agility and flexibility of the Company’s fund-raising.

4. Use of funds and expected benefits:

The funds raised from each private placement are used to replenish working capital, and/or expand plants and purchase machinery and equipment to increase the scale of operations, and/or repay loans to build a complete financial structure, and/or support other capital requirements for the Company's long-term development. Each private placement and the use of funds after the completion of the private placement is expected to strengthen

the company's competitiveness and improve operational efficiency, as well as promoting the company's stable growth, improving the company's competitiveness and being beneficial to shareholders' equity.

- (III) The rights and obligations of this private placement of common shares or common shares converted from domestic convertible corporate bonds are the same as those of the common shares already issued by the Company; however, in accordance with Article 43-8 of the Securities and Exchange Act, the private placement of securities is after three years from the date of delivery, the private placement of the securities may be reported to the competent authority after three years from the delivery date and after obtaining the consent letter from the Taiwan Stock Exchange for the issuance of listing standards in accordance with the relevant laws and regulations and application for listing and trading.
- (IV) In this private placement of common shares or issuance of domestic convertible corporate bonds, it is intended that the shareholders' meeting authorize the Chairman, or a person designated by the Chairman, sign and negotiate all contracts and documents related to this private placement on behalf of the Company and to handle all matters related to the private placement on behalf of the Company. Matters related to the private placement plan.
- (V) The number of shares issued, issue price, issuing conditions, capital increase record date, planned items, progress of fund utilization, expected benefits and other matters from the private placement of ordinary shares or domestic convertible corporate bonds, and other matters that are not yet addressed in the private placement of ordinary shares or domestic convertible corporate bonds. The Shareholders' Meeting authorized the Board of Directors to formulate and implement regulations based on market conditions and the Company's operational needs. The Board of Directors is authorized to make future amendments in accordance with the requirements of the competent authorities or changes in the objective environment.

Resolution:

Extempore motions:

Adjournment

[Attachment 1]

Taiwan Mask Corporation 2023 Business Report

To begin with, I would like to express my appreciation to all shareholders for their support. Due to continued international turbulence (geopolitics, the Russo-Ukrainian war, the Israel-Palestine conflict) and inflationary factors, governments around the world have to combat inflationary pressure and sluggish consumption after the lockdowns are lifted. The destocking speed of the global semiconductor and electronics industries is not as good as expected. Although there is the topic of AI applications, under the slowdown of demand for consumer products with a large proportion of semiconductors, the scale of the global semiconductor market declined in 2023. However, it will return to growth in 2024 and a double-digit growth is expected. Overall, the difference between semiconductor process technologies and applications will result in a different end demand. In this regard, Taiwan Mask has a stable deployment to prudently plan for new capacity and new technologies in response to overall needs in a timely and appropriate manner, so as to grow together with strategic partners. At the same time, we will continue to strengthen operational management efficiency, deepen customer relationship management and services, and continue to grow together with strategic customers.

In the face of the downturn of the global semiconductor market, with the successful deployment of medium-end and high-end mask manufacturing services, the expansion of mask OEM services for strategic partners, and the endeavor of the management team and all the employees, the Company has maintained steady growth in its operations in 2023, with annual parent company only net revenue amounting to NT\$3.986 billion, up by 2.5% compared to the previous year; the net profit after tax amounted to NT\$366 million. In terms of operational performance, we continued to improve technology and manufacturing quality, and won the recognition and long-term support of our strategic customers by reducing costs, deepening customer service, shortening delivery time, and improving customer satisfaction.

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 2024, in response to the growth of the semiconductor market, TMC will,

1. Continue to strengthen its operations, strengthen customer satisfaction and loyalty, build the production capacity and accept orders of high-end process photomasks, lower manufacturing cost, optimize customer service, and maximize performance of current production lines.
2. Continue to expand the photomask business required for 40nm technology for 12-inch wafers: After the successful mass production of 65/55photomasks, we will actively expand photomask manufacturing services for 12-inch wafer fabs in 2024 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, DIGITAL-CAN TECH's laminate manufacturing, Baile's all-round energy solutions of energy generation and energy storage provided, and Moment semiconductor's self-owned brand consumer electronic products, there are expectations to create more values for shareholders through the Group's internal collaborations and the comprehensive resources management.
4. Continue the implementation of sustainable development: Taiwan Mask adheres to the business philosophy of "respect for the nature, love for people, and protect the planet" and develops its business in the three major fields of semiconductor, green energy, and smart manufacturing. We pursue sustainable development with energy creation and energy conservation. By focusing on core business development, managing the Group's total resources, aiming at innovation and sustainability, and working with strategic customers, suppliers, subsidiaries of the Group, and stakeholders to integrate resources, we will continue to invest in sustainability issues and implement sustainable development.

Best wishes to all valued shareholders.

Chairman:



Manager:



Accounting Officer:



[Attachment 2]

Taiwan Mask Corporation
Audit Committee's Audit Report

We have reviewed the Company's 2023 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 2024 Annual General Meeting

Taiwan Mask Corporation



Audit Committee convener: Wei-Chen Wang



March 6, 2024

[Attachment 3]

Endorsement and guarantee of the Company and its subsidiaries for 2023

Taiwan Mask Corporation and Subsidiaries
Endorsements and Guarantees to Others
January 1 to December 31, 2023

Table 2

Unit: NTD in thousand
(Unless otherwise specified)

No. (Note 1)	Endorser/guarantor	Name of Company	Relationship (Note 2)	Limit of endorsement and guarantee for a single enterprise (Note 3, 4, 5, 6)	Maximum Balance of Endorsement/Guarantee for the Period	Ending Balance of Endorsement/Guarantee	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 (Note 3, 4, 5, 6)	Guarantee Provided by Parent Company to Subsidiary	Guarantee Provided by Subsidiary to Parent Company	Guarantee Provided by Subsidiaries in Mainland China	Note
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	2	\$ 229,550	\$ 226,975	\$ 214,935	\$ -	\$ -	4.43%	\$ 2,049,257	Y	N	N	Note 3
1	ADL Energy Corp	Aptos Technology INC.	3	20,493	19,500	-	-	-	0.00%	20,493	N	Y	N	Note 4
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	392,131	226,695	224,165	224,165	224,165	57.17%	392,131	N	Y	N	Note 5
3	Miracle Technology CO., LTD.	Xsense Technology	1	174,394	150,000	150,000	150,000	150,000	34.40%	174,394	N	N	N	Note 6
3	Miracle Technology CO., LTD.	Aptos Technology INC.	1	174,394	20,000	20,000	20,000	20,000	4.59%	174,394	N	N	N	Note 6
4	Pilot Battery Co., Ltd.	ADL Energy Corp	1	157,182	50,000	30,000	30,000	30,000	7.63%	157,182	N	N	N	Note 7

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 the 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 endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the company's paid-in capital 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.

Note 7: Subsidiary - Pilot Battery 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
(113) Tsai-Sheng-Bao-Zi No. 23002830

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, 2023 and 2022, and the related consolidated statement 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022 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 2023. 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 2023 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, 2023 were NT\$805,951 thousand and NT\$104,128 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 2023 was NT\$7,199,935 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, 2023 and 2022.

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 2023 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 6, 2024

Taiwan Mask Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$Thousand

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and Cash Equivalents	6(1)	\$ 1,364,106	7	\$ 1,749,957	10
1110	Financial Assets at Fair Value	6(2) and 8				
	Through Profit or Loss - Current		1,626,536	8	1,584,598	9
1136	Financial Assets at Amortized Cost -	6(3) and 8				
	Current		259,885	1	160,465	1
1140	Contract Asset - Current	6(22)	105,263	-	140,231	1
1150	Notes Receivables (Net)	6(4)	6,049	-	1,361	-
1170	Accounts Receivables (Net)	6(4)	1,478,806	7	1,501,012	8
1180	Accounts Receivables - Related	6(4) and 7				
	Parties (Net)		26	-	2,346	-
1200	Other Receivables		29,003	-	13,751	-
1210	Other Receivables - Related Parties	7	407	-	-	-
1220	Tax Assets for the Period		1,830	-	42,652	-
130X	Inventories	6(5)	701,823	3	382,530	2
1410	Prepayments		326,387	2	280,245	2
1470	Other Current Assets		10,774	-	44,734	-
11XX	Total Current Assets		<u>5,910,895</u>	<u>28</u>	<u>5,903,882</u>	<u>33</u>
Non-Current Assets						
1510	Financial Assets at Fair Value	6(2) and 8				
	Through Profit or Loss - Non Current		2,896,178	14	2,896,557	16
1535	Financial Assets at Amortized Cost -	6(3) and 8				
	Non Current		660,157	3	507,602	3
1550	Investment under Equity Method	6(6) and 7	67,506	-	124,565	1
1600	Property, plant and equipment	6(7) and 8	9,405,807	45	5,883,661	33
1755	Right-of-use Asset	6(8)	554,630	3	550,611	3
1760	Investment property (Net)	6(10) and 8	170,500	1	170,346	1
1780	Intangible assets	6(11) and 8	721,410	3	497,180	3
1840	Deferred Income Tax Assets	6(29)	22,337	-	9,365	-
1900	Other Non-Current Assets	6(12)	514,639	3	1,349,137	7
15XX	Total Non-Current Assets		<u>15,013,164</u>	<u>72</u>	<u>11,989,024</u>	<u>67</u>
1XXX	Total Assets		<u>\$ 20,924,059</u>	<u>100</u>	<u>\$ 17,892,906</u>	<u>100</u>

(continued on next page)

Taiwan Mask Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$Thousand

Liabilities and Equities	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current liabilities						
2100	Short Term Loans	6(13)	\$ 5,429,370	26	\$ 4,624,525	26
2120	Financial liabilities at fair value through profit or loss - Current	6(2)	9,383	-	5,697	-
2130	Contract Liabilities - Current	6(22)	174,538	1	232,778	1
2150	Notes Payable		66	-	81	-
2170	Accounts Payable		463,892	2	417,175	2
2180	Accounts payable - Related party	7	-	-	284	-
2200	Other Payables	6(14)	1,205,153	6	837,213	5
2220	Other Payables - Related Parties	7	304	-	-	-
2230	Current Income Tax Liabilities		15,379	-	178,854	1
2250	Provision for Liabilities - Current		4,513	-	-	-
2280	Lease Liability - Current		47,439	-	32,571	-
2320	Long-term liabilities due within one year or one business cycle	6(16)	1,216,216	6	611,473	4
2399	Other Current Liabilities - Other		57,651	-	39,114	-
21XX	Total Current Liabilities		<u>8,623,904</u>	<u>41</u>	<u>6,979,765</u>	<u>39</u>
Non-current liabilities						
2530	Corporate bonds payable	6(15)	3,424,600	16	2,609,044	14
2540	Long-term borrowings	6(16)	3,126,340	15	3,167,974	18
2570	Deferred Income Tax	6(29)	127,215	1	121,124	1
2580	Lease liability - Non Current		519,754	3	527,098	3
2640	Defined Benefit Liabilities - Non Current	6(17)	10,648	-	16,512	-
2645	Guarantee Deposits Received		42,282	-	34,754	-
2670	Other Non-Current Liabilities - Other		-	-	2,428	-
25XX	Total Non-Current Liabilities		<u>7,250,839</u>	<u>35</u>	<u>6,478,934</u>	<u>36</u>
2XXX	Total Liabilities		<u>15,874,743</u>	<u>76</u>	<u>13,458,699</u>	<u>75</u>
Equity attributable to shareholders of the parent company						
Capital						
3110	Capital stock	6(18)	2,564,465	12	2,564,465	14
3200	Capital surplus	6(19)	1,439,959	7	1,251,681	8
3310	Retained earnings	6(20)	827,460	4	769,952	4
3350	Legal reserve		1,464,101	7	1,729,293	10
Other equity interests						
3400	Other equity interests	6(21)	1,641	-	10,508	-
3500	Treasury stock	6(18) and 8	(1,174,484)	(6)	(1,778,979)	(10)
31XX	Total Equities Attributable to Parent Company		<u>5,123,142</u>	<u>24</u>	<u>4,546,920</u>	<u>26</u>
36XX	Non-controlling Interests		<u>(73,826)</u>	<u>-</u>	<u>(112,713)</u>	<u>(1)</u>
3XXX	Total Equities		<u>5,049,316</u>	<u>24</u>	<u>4,434,207</u>	<u>25</u>
Major Commitments and Contingencies 9						
Major Events after Financial Statement Date 11						
3X2X	Total Liabilities and Equities		<u>\$ 20,924,059</u>	<u>100</u>	<u>\$ 17,892,906</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 Comprehensive Income Statement
January 1 to December 31, 2023, and 2022

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

Items	Notes	2023		2022	
		Amount	%	Amount	%
4000 Operating income	6(22) and 7	\$ 7,199,935	100	\$ 7,741,118	100
5000 Operating costs	6(5) and 7	(5,363,566)	(75)	(5,642,493)	(73)
5900 Gross profit		<u>1,836,369</u>	<u>25</u>	<u>2,098,625</u>	<u>27</u>
Operating Expenses	6(27) (28) and 7				
6100 Selling Expenses		(271,119)	(4)	(209,947)	(3)
6200 Administrative Expenses		(459,028)	(6)	(375,754)	(5)
6300 R&D Expenses		(348,136)	(5)	(254,090)	(3)
6450 Expected loss on credit impairment	12(2)	(9,455)	-	(10,558)	-
6000 Total Operating Expenses		<u>(1,087,738)</u>	<u>(15)</u>	<u>(850,349)</u>	<u>(11)</u>
6900 Operating profit		<u>748,631</u>	<u>10</u>	<u>1,248,276</u>	<u>16</u>
Non-operating income and expenses					
7100 Interest income	6(23)	40,742	-	25,271	-
7010 Other Incomes	6(24) and 7	133,843	2	258,255	4
7020 Other Gains and Losses	6(25)	(98,389)	(1)	(619,247)	(8)
7050 Financial Costs	6(26)	(293,238)	(4)	(177,546)	(2)
7060 The share of affiliates and joint venture profits and losses recognized by the equity method	6(6)	(85,789)	(1)	(61,296)	(1)
7000 Total Non-Operating Incomes and Losses		<u>(302,831)</u>	<u>(4)</u>	<u>(574,563)</u>	<u>(7)</u>
7900 Earnings Before Tax		445,800	6	673,713	9
7950 Income Tax Expense	6(29)	(281,516)	(4)	(228,081)	(3)
8200 Net profit for the period		<u>\$ 164,284</u>	<u>2</u>	<u>\$ 445,632</u>	<u>6</u>

(continued on next page)

Taiwan Mask Corporation and Subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2023, and 2022

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

Items	Notes	2023		2022		
		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	6(17)	(\$ 1,145)	-	(\$ 2,656)	-
8310	Total items that will not be reclassified subsequently to profit or loss		(1,145)	-	(2,656)	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statement translation differences of foreign operations	6(21)	(8,867)	-	6,476	-
8360	Total Components of other comprehensive income that will be reclassified to profit or loss		(8,867)	-	6,476	-
8300	Other Comprehensive Incomes (Net)		(\$ 10,012)	-	\$ 3,820	-
8500	Total comprehensive income for the year		\$ 154,272	2	\$ 449,452	6
Net Incomes (Losses) Attributable to:						
8610	Parent Company		\$ 366,126	5	\$ 703,519	9
8620	Non-controlling Interests		(201,842)	(3)	(257,887)	(3)
	Total		\$ 164,284	2	\$ 445,632	6
Total Comprehensive Incomes (Losses)						
Attributable to:						
8710	Parent Company		\$ 356,114	5	\$ 707,339	9
8720	Non-controlling Interests		(201,842)	(3)	(257,887)	(3)
	Total		\$ 154,272	2	\$ 449,452	6
Earnings per share						
9750	Net Income	6(30)	\$ 1.75		\$ 3.37	
Diluted Earnings per share						
9850	Net profit for the period	6(30)	\$ 1.65		\$ 3.12	

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, 2023, and 2022

Unit: NT\$ Thousand

	Notes	Equity attributable to shareholders of the parent company									Total Equity
		Capital stock	Capital surplus	Legal reserve	Unappropriated earnings	Translation of Foreign Financial Statements Exchange Differences on	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury stock	Total	Non-controlling Interests	
2022											
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	6(21)	-	-	-	(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	6(20)	-	-	-	-	-	-	-	-	-	-
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	6(19)(20)	-	(241,189)	-	-	-	-	-	(241,189)	-	(241,189)
Adjustment of capital reserve by dividends paid to subsidiaries	6(19)	-	73,463	-	-	-	-	-	73,463	-	73,463
Changes in ownership interests in subsidiaries recognized	6(19)	-	10,169	-	(86,617)	-	-	-	76,448	-	76,448
Changes in shares of affiliates and joint ventures recognized under the equity method	6(19)	-	21,107	-	-	-	-	-	21,107	130,213	151,320
Share-based payment transaction	6(18)(19)	-	16,831	-	-	-	-	-	16,831	2,230	19,061
Treasury Stock Buyback	6(18)	-	-	-	-	-	-	(842,536)	(842,536)	-	(842,536)
Subsidiaries donated treasury stock	6(18)	-	-	-	-	-	-	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
2023											
Balance as at January 1, 2023		\$ 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
Net profit for the period		-	-	-	366,126	-	-	-	366,126	(201,842)	164,284
Other Comprehensive Profit or Loss	6(21)	-	-	-	(1,145)	(8,867)	-	-	(10,012)	-	(10,012)
Total comprehensive income for the year		-	-	-	364,981	(8,867)	-	-	356,114	(201,842)	154,272
Distribution and appropriation of earnings for 2022	6(20)	-	-	-	-	-	-	-	-	-	-
Legal capital reserve		-	-	57,508	(57,508)	-	-	-	-	-	-
Cash dividends		-	-	-	(572,665)	-	-	-	(572,665)	-	(572,665)
Distribution of cash from capital surplus	6(19)(20)	-	(49,797)	-	-	-	-	-	(49,797)	-	(49,797)
Adjustment of capital reserve by dividends paid to subsidiaries	6(19)	-	90,829	-	-	-	-	-	90,829	-	90,829
Changes in ownership interests in subsidiaries recognized	6(19)	-	133,604	-	-	-	-	-	133,604	(58,871)	74,733
Changes in shares of affiliates and joint ventures recognized under the equity method	6(19)	-	13,793	-	-	-	-	-	13,793	-	13,793
Subsidiaries donated treasury stock	6(18)	-	-	-	-	-	-	12,807	12,807	-	12,807
Treasury stocks transfer to employees	6(18)	-	-	-	-	-	-	591,688	591,688	-	591,688
Payment of overdue unclaimed dividends to shareholders	6(19)	-	(151)	-	-	-	-	(151)	(151)	-	(151)
Increase in non-controlling interests in mergers		-	-	-	-	-	-	-	-	299,600	299,600
Balance as of December 31, 2023		\$ 2,564,465	\$ 1,439,959	\$ 827,460	\$ 1,464,101	\$ 4,307	(\$ 2,666)	(\$ 1,174,484)	\$ 5,123,142	(\$ 73,826)	\$ 5,049,316

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 Cash Flow Statements
January 1 to December 31, 2023, and 2022

Unit: NT\$Thousand

	Notes	January 1, 2023 to December 31, 2019	January 1, 2022 to December 31, 2019
<u>Cash Flow from Operating Activities</u>			
Net Income (Loss) Before Tax		\$ 445,800	\$ 673,713
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities			
Revenues and Expenses			
Depreciation	6(27)	933,404	568,193
Amortization	6(27)	52,495	45,391
Expected loss on credit impairment	12(2)	9,455	10,558
Interest income	6(23)	(40,742)	(25,271)
Interest Expenses	6(26)	293,238	177,546
Subsidiaries donated treasury stock	7	12,807	4,980
Net losses of financial assets at fair value through profit or loss	6(25)	221,510	801,122
Gain (loss) on disposal of investments	6(25)	(101,102)	(123,552)
Dividend income	6(24)	(94,064)	(194,598)
Share-based payment transaction	6(18)	-	19,061
Share of losses of affiliated companies recognized under the equity method	6(6)	85,789	61,296
Disposal of interests in property, plant and equipment	6(25)	(688)	(5,024)
Gains on disposal of intangible assets	6(25)	(25,499)	-
Property, plant and equipment reclassified as expenses		78	1,186
The Changes of Assets/ Liabilities related to Operating Activities			
Net Changes of Assets related to Operating Activities			
Mandatory financial assets at fair value through profit or loss		(175,131)	(115,356)
Contract Assets		34,968	15,532
Notes Receivables		(4,604)	(1,298)
Accounts Receivables		28,959	(247,822)
Accounts Receivables – Related Parties		2,320	14,466
Other Receivables		(16,753)	55,246
Other Receivables – Related Parties		(407)	-
Inventories		(250,767)	21,187
Prepayments		(40,501)	(158,379)
Other Current Assets		35,911	(14,837)
Other Non-Current Assets		29,108	671
Net Changes of Liabilities related to Operating Activities			
Contract Liabilities		(67,726)	53,463
Notes Payable		(79,735)	15
Accounts Payable		27,826	(60,057)
Accounts payable - Related party		(284)	284
Other Payables		49,752	144,840
Other Payables- related Parties		304	-
Provisions		-	(10,964)
Other Current Liabilities		17,970	(167)
Defined Benefit Liabilities		(7,012)	4,169
Other Current Liabilities		(7,228)	(98,218)
Net Cash In-Flow from Operating		1,369,451	1,617,376
Dividends Received		110,914	194,598
Interest Received		42,243	25,271
Interest Paid		(260,590)	(177,546)
Income Tax Paid		(444,991)	(246,930)
Net Cash In-Flow from Operating Activities		<u>817,027</u>	<u>1,412,769</u>

(continued on next page)

Taiwan Mask Corporation and Subsidiaries
Consolidated Cash Flow Statements
January 1 to December 31, 2023, and 2022

Unit: NT\$Thousand

	Notes	January 1, 2023 to December 31, 2019	January 1, 2022 to December 31, 2019
<u>Cash Flow from Investment Activities</u>			
Acquisition of Amortized Cost Financial Assets		(\$ 672,781)	(\$ 610,686)
Disposal of Amortized Cost Financial Assets		416,418	20,882
Cash outflows from changes in consolidated entities	6(31)	(78,027)	-
Acquisition of investment property by the Equity Method		(15,000)	-
Acquisition of Property, Plants and Equipment	6 (32)	(3,179,581)	(2,911,204)
Disposal of Property, Plants and Equipment		8,695	6,020
Acquisition of Intangible Assets	6(11)	(36,975)	(45,767)
Gains on disposal of intangible assets		27,043	-
Increase in Refundable Deposit		(35,869)	(36,932)
Net Cash Outflow from Investing Activities		(3,566,077)	(3,577,687)
<u>Cash Flows from Financing Activities</u>			
Increase of Short Term Loan	6 (33)	7,613,689	16,200,182
Redemption of Short Term Loan	6 (33)	(6,907,998)	(15,952,423)
Increase of Long Term Loan	6 (33)	1,593,546	4,569,424
Redemption of Long Term Loan	6 (33)	(1,061,577)	(3,512,177)
Issuance of ordinary corporate bonds	6 (33)	797,338	997,095
Treasury stocks transfer to employees		591,688	-
Cost of treasury stock buyback		-	(842,536)
Redemption of Lease Principal	6 (33)	(51,816)	(55,556)
Increase in Guarantee Deposits Received	6 (33)	7,528	27,846
Distribution of cash dividends (including capital surplus distribution cash)		(531,633)	(408,915)
Cash increase of non-controlling equity in Subsidiaries		299,600	200,240
Payment of overdue unclaimed dividends		(151)	-
Net Cash In-Flow (Out-Flow) from Funding Activities		2,350,214	1,223,180
Adjustments of Exchange Rate		12,985	9,876
Increase (Decrease) in Cash and Cash Equivalents		(385,851)	(931,862)
Beginning Balance of Cash and Cash Equivalents		1,749,957	2,681,819
Ending Balance of Cash and Cash Equivalents	6(1)	\$ 1,364,106	\$ 1,749,957

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

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[Attachment 5]

Independent Auditors' Report

(113) Tsai-Sheng-Bao-Zi No. 23002831

To Taiwan Mask Corporation,

Opinions

We have audited the accompanying parent-only balance sheets of Taiwan Mask Corporation as of December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023 and 2022, 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 standalone financial statements of Taiwan Mask Corporation of fiscal year 2023. 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 2023 are stated as follows:

Evaluation of Inventories

Explanation

Refer to Note 4(12) for the accounting policies on the valuation of inventories, Note 5(2) for the uncertainty of accounting estimations and assumptions for valuation of inventories, inventory accounts description please refer to Note 6(5), for the details of allowance for inventory valuation. The inventory amount and allowance for inventory valuation loss as of December 31, 2023 is NT\$134,369 thousand and NT\$4,794 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 2023 is NT\$3,985,541 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 significantly impacts 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 parent only financial statements

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

In preparing the parent only 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 parent only 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 parent only financial statements, including the disclosures, and whether the parent only 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, 2023, 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 6, 2024

Taiwan Mask Corporation
Parent Company Only Comprehensive Income Statement
December 31, 2023 and 2022

Unit: NT\$Thousand

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and Cash Equivalents	6(1)	\$ 451,993	3	\$ 1,211,411	9
1110	Financial Assets at Fair Value	6(2) and 8				
	Through Profit or Loss - Current		397,340	3	307,448	2
1136	Financial Assets at Amortized Cost -	6(3)				
	Current		3,000	-	3,000	-
1140	Contract Asset - Current	6(21)	86,821	-	90,642	1
1170	Accounts Receivables (Net)	6(4)	685,798	5	800,431	6
1180	Accounts Receivables - Related	6(4) and 7				
	Parties (Net)		6,494	-	9,525	-
1200	Other Receivables		4,520	-	4,566	-
1210	Other Receivables - Related Parties	7	90,940	-	17,443	-
130X	Inventories	6(5)	129,575	1	118,709	1
1410	Prepayments		97,617	1	104,427	1
1470	Other Current Assets		190	-	803	-
11XX	Total Current Assets		<u>1,954,288</u>	<u>13</u>	<u>2,668,405</u>	<u>20</u>
Non-Current Assets						
1510	Financial Assets at Fair Value	6(2) and 8				
	Through Profit or Loss - Non Current		859,962	6	925,006	7
1535	Financial Assets at Amortized Cost -	6(3) and 8				
	Non Current		417,504	3	222,774	2
1550	Investment under Equity Method	6(6)	1,866,791	13	1,897,832	15
1600	Property, plant and equipment	6(7) and 8	7,862,213	54	4,762,328	37
1755	Right-of-use Asset	6(8)	535,527	4	541,438	4
1760	Investment property (Net)	6(10) and 8	662,854	5	683,746	5
1780	Intangible assets		45,675	-	41,720	-
1840	Deferred Income Tax Assets	6(28)	5,310	-	1,780	-
1900	Other Non-Current Assets	6(11)	359,147	2	1,331,600	10
15XX	Total Non-Current Assets		<u>12,614,983</u>	<u>87</u>	<u>10,408,224</u>	<u>80</u>
1XXX	Total Assets		<u>\$ 14,569,271</u>	<u>100</u>	<u>\$ 13,076,629</u>	<u>100</u>

(continued on next page)

Taiwan Mask Corporation
Parent Company Only Comprehensive Income Statement
December 31, 2023 and 2022

Unit: NT\$Thousand

Liabilities and Equities	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current liabilities						
2100	Short Term Loans	6(12)	\$ 1,079,983	8	\$ 1,054,934	8
2120	Financial liabilities at fair value through profit or loss - Current	6(2)	9,383	-	5,697	-
2130	Contract Liabilities - Current	6(21)	33,984	-	57,323	1
2170	Accounts Payable		117,596	1	109,004	1
2200	Other Payables	6(13)	669,580	5	520,173	4
2220	Other Payables - Related Parties	7	4,131	-	-	-
2230	Income Tax Liabilities for the Period		2,623	-	150,791	1
2280	Lease Liability - Current		31,939	-	30,682	-
2320	Long-term liabilities due within one year or one business cycle	6(15)	872,834	6	484,737	4
2399	Other Current Liabilities - Other		47,783	-	29,182	-
21XX	Total Current Liabilities		<u>2,869,836</u>	<u>20</u>	<u>2,442,523</u>	<u>19</u>
Non-current liabilities						
2530	Corporate bonds payable	6(14)	3,424,600	23	2,609,044	20
2540	Long-term Loans	6(15)	2,592,429	18	2,905,263	22
2570	Deferred Income Tax	6(28)	219	-	3,850	-
2580	Lease liability - Non Current		514,436	4	518,641	4
2640	Defined Benefit Liabilities - Non Current	6(16)	10,648	-	16,514	-
2645	Guarantee Deposits Received	6(31)	33,961	-	33,874	-
25XX	Total Non-Current Liabilities		<u>6,576,293</u>	<u>45</u>	<u>6,087,186</u>	<u>46</u>
2XXX	Total Liabilities		<u>9,446,129</u>	<u>65</u>	<u>8,529,709</u>	<u>65</u>
Equities						
Capital						
3110	Capital stock	6(17)	2,564,465	18	2,564,465	20
Capital surplus						
3200	Capital surplus	6(18)	1,439,959	9	1,251,681	10
Retained earnings						
3310	Legal reserve	6(19)	827,460	6	769,952	6
3350	Unappropriated earnings		1,464,101	10	1,729,293	13
Other equity interests						
3400	Other equity interests	6(20)	1,641	-	10,508	-
3500	Treasury stock	6(17)	(1,174,484)	(8)	(1,778,979)	(14)
3XXX	Total Equities		<u>5,123,142</u>	<u>35</u>	<u>4,546,920</u>	<u>35</u>
Major Commitments and Contingencies 9						
Major Events after Financial Statement 11						
Date						
3X2X	Total Liabilities and Equities		<u>\$ 14,569,271</u>	<u>100</u>	<u>\$ 13,076,629</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 Income Statement
January 1 to December 31, 2023, and 2022

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

Items	Notes	2023		2022	
		Amount	%	Amount	%
4000 Operating income	6 (21) and 7	\$ 3,985,541	100	\$ 3,887,648	100
5000 Operating costs	6(5)	(2,322,564)	(58)	(1,796,579)	(46)
5900 Gross profit		<u>1,662,977</u>	<u>42</u>	<u>2,091,069</u>	<u>54</u>
Operating expenses	6(26) (27)				
6100 Selling Expenses		(75,496)	(2)	(63,495)	(2)
6200 Administrative Expenses		(304,800)	(8)	(272,202)	(7)
6300 R&D Expenses		(152,015)	(4)	(92,972)	(2)
6450 Expected loss on credit impairment	12(2)	(418)	-	(821)	-
6000 Total Operating Expenses		<u>(532,729)</u>	<u>(14)</u>	<u>(429,490)</u>	<u>(11)</u>
6900 Operating profit		<u>1,130,248</u>	<u>28</u>	<u>1,661,579</u>	<u>43</u>
Non-operating income and expenses					
7100 Interest income	6(22)	27,316	1	11,798	-
7010 Other Incomes	6(23)	204,573	5	195,387	5
7020 Other Gains and Losses	6(24)	(8,162)	-	(205,013)	(5)
7050 Financial Costs	6(25)	(162,406)	(4)	(91,694)	(2)
7070 The share of subsidiaries, affiliates and joint venture profits and losses recognized by the equity method		<u>(579,274)</u>	<u>(15)</u>	<u>(676,888)</u>	<u>(18)</u>
7000 Total Non-Operating Incomes and Losses		<u>(517,953)</u>	<u>(13)</u>	<u>(766,410)</u>	<u>(20)</u>
7900 Earnings Before Tax		612,295	15	895,169	23
7950 Income Tax Expense	6(28)	(246,169)	(6)	(191,650)	(5)
8200 Net profit for the period		<u>\$ 366,126</u>	<u>9</u>	<u>\$ 703,519</u>	<u>18</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)	(\$ 1,145)	-	(\$ 2,721)	-
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>-</u>	<u>-</u>	<u>65</u>	<u>-</u>
8310 Total items that will not be reclassified subsequently to profit or loss		<u>(1,145)</u>	<u>-</u>	<u>(2,656)</u>	<u>-</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>(8,867)</u>	<u>-</u>	<u>6,476</u>	<u>-</u>
8360 Total Components of other comprehensive income that will be reclassified to profit or loss		<u>(8,867)</u>	<u>-</u>	<u>6,476</u>	<u>-</u>
8300 Other Comprehensive Incomes (Net)		<u>(\$ 10,012)</u>	<u>-</u>	<u>\$ 3,820</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 356,114</u>	<u>9</u>	<u>\$ 707,339</u>	<u>18</u>
Earnings per share	6(29)				
9750 Net Income (Loss)		<u>\$ 1.75</u>		<u>\$ 3.37</u>	
Diluted Earnings per share	6(29)				
9850 Net profit for the period		<u>\$ 1.65</u>		<u>\$ 3.12</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 Company Only Statement of Changes in Equity
January 1 to December 31, 2023, and 2022

Unit: NT\$thousand

	Notes	Retained earnings				Other equity interests			Treasury stock	Total Equity
		Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Translation of Foreign Financial Statements Exchange Differences on	Unrealized gains (losses) on financial assets measured at fair value through other available-for-sale financial assets		
<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	6(19)	-	-	-	-	-	-	-	-	-
Legal capital reserve		-	-	113,915	-	(113,915)	-	-	-	-
Cash dividends		-	-	-	-	(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)
Subsidiaries donated treasury stock	6(17)	-	-	-	-	-	-	-	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
<u>2023</u>										
Balance as at January 1, 2023		\$ 2,564,465	\$ 1,251,681	\$ 769,952	\$ -	\$ 1,729,293	\$ 13,174	(\$ 2,666)	(\$ 1,778,979)	\$ 4,546,920
Net profit for the period		-	-	-	-	366,126	-	-	-	366,126
Other Comprehensive Profit or Loss	6(20)	-	-	-	-	(1,145)	(8,867)	-	-	(10,012)
Total comprehensive income for the year		-	-	-	-	364,981	(8,867)	-	-	356,114
Distribution and appropriation of earnings for 2022	6(19)	-	-	-	-	-	-	-	-	-
Legal capital reserve		-	-	57,508	-	(57,508)	-	-	-	-
Cash dividends		-	-	-	-	(572,665)	-	-	-	(572,665)
Distribution of cash from capital surplus	6(18)	-	(49,797)	-	-	-	-	-	-	(49,797)
Adjustment of capital reserve by dividends paid to subsidiaries	6(18)	-	90,829	-	-	-	-	-	-	90,829
Changes in ownership interests in subsidiaries recognized	6(18)	-	133,604	-	-	-	-	-	-	133,604
Changes in shares of affiliates and joint ventures recognized under the equity method	6(18)	-	13,793	-	-	-	-	-	-	13,793
Subsidiaries donated treasury stock	6(17)	-	-	-	-	-	-	-	12,807	12,807
Treasury stocks transfer to employees	6(17)	-	-	-	-	-	-	-	591,688	591,688
Payment of overdue unclaimed dividends to shareholders	6(18)	-	(151)	-	-	-	-	-	-	(151)
Balance as of December 31, 2023		\$ 2,564,465	\$ 1,439,959	\$ 827,460	\$ -	\$ 1,464,101	\$ 4,307	(\$ 2,666)	(\$ 1,174,484)	\$ 5,123,142

The attached notes to the parent only financial statements are part of the parent only financial report and should be read in conjunction.

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Eve Yang

Taiwan Mask Corporation
Parent Company Only Cash Flow Statements
January 1 to December 31, 2023, and 2022

Unit: NT\$Thousand

	Notes	January 1, 2023 to December 31, 2019	January 1, 2022 to December 31, 2019
<u>Cash Flow from Operating Activities</u>			
Net Income(Loss) Before Tax		\$ 612,295	\$ 895,169
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities			
Revenues and Expenses			
Depreciation	6(26)	798,565	513,116
Amortization	6(26)	24,041	6,284
Expected loss on credit impairment	12(2)	418	821
Dividend income	6(23)	(51,566)	(33,682)
Interest income	6(22)	(27,317)	(11,798)
Interest Incomes	6(25)	162,406	91,694
Loss (gain) on financial assets measured at fair value through profit or loss	6(24)	(8,662)	114,183
Loss on disposal of investments	6(24)	-	119,316
Share-based payment transaction	6(17)	-	14,131
The Share of Subsidiaries and Affiliates Profits and Losses Recognized by the Equity Method		579,274	676,888
Property, plant and equipment reclassified as expenses	6(7)	78	116
The Changes of Assets/ Liabilities related to Operating Activities			
Net Changes of Assets related to Operating Activities			
Mandatory financial assets at fair value through profit or loss		(12,500)	(357,348)
Contract Assets		3,821	25,212
Accounts Receivables		114,215	(208,285)
Accounts Receivables – Related Parties		3,031	(4,413)
Other Receivables		(1,455)	993
Other Receivables – Related Parties		(73,497)	(2,573)
Inventories		(10,866)	(8,820)
Prepayments		7,020	(67,468)
Other Current Assets		613	170
Net Changes of Liabilities related to Operating Activities			
Contract Liabilities		(23,339)	49,663
Accounts Payable		8,592	27,553
Other Payables		7,370	29,844
Other Payables- related Parties		1,626	-
Other Current Liabilities		18,601	(3,385)
Defined Benefit Liabilities		(7,012)	(1,749)
Net Cash In-Flow from Operating		2,125,752	1,865,632
Dividends Received		69,929	70,496
Interest Received		28,813	10,065
Interest Paid		(134,928)	(90,670)
Income Tax Paid		(401,498)	(157,909)
Net Cash In-Flow (Out-Flow) from Operating Activities		1,688,068	1,697,614

(continued on next page)

Taiwan Mask Corporation
Parent Company Only Cash Flow Statements
January 1 to December 31, 2023, and 2022

Unit: NT\$Thousand

Notes	January 1, 2023 to December 31, 2019	January 1, 2022 to December 31, 2019
<u>Cash Flow from Investment Activities</u>		
Acquisition of Amortized Cost Financial Assets	(\$ 527,651)	(\$ 187,349)
Disposal of Amortized Cost Financial Assets	332,921	-
Acquisition of investment property by the Equity Method	(324,431)	-
Acquisition of Property, Plants and Equipment 6(30)	(2,732,591)	(2,662,286)
Acquisition of Intangible Assets	(27,996)	(39,486)
Increase in refundable deposit	(1,431)	(2,370)
Net Cash Outflow from Investing Activities	(3,281,179)	(2,891,491)
<u>Cash Flows from Financing Activities</u>		
Increase of Short Term Loan 6(31)	4,395,672	5,662,100
Redemption of Short Term Loan 6(31)	(4,370,623)	(5,467,166)
Increase of Long Term Loan 6(31)	930,631	4,624,737
Redemption of Long Term Loan 6(31)	(855,368)	(3,884,737)
Issuance of ordinary corporate bonds 6(31)	797,338	997,095
Distribution of cash dividends (including capital surplus distribution cash) 6(19)	(622,462)	(482,378)
Treasury stocks transfer to employees 6(17)	591,688	-
Cost of treasury stock buyback 6(17)	-	(842,536)
Redemption of Lease Principal 6(31)	(33,119)	(29,737)
Increase in Guarantee Deposits Received 6(31)	87	29,069
Transfer of unclaimed dividends as Additional Paid-in Capital	(151)	-
Net Cash In-Flow (Out-Flow) from Funding Activities	833,693	606,447
Increase (Decrease) in Cash and Cash Equivalents	(759,418)	(587,430)
Beginning Balance of Cash and Cash Equivalents	1,211,411	1,798,841
Ending Balance of Cash and Cash Equivalents	\$ 451,993	\$ 1,211,411

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
2023 Annual Profit Distribution Table



Unit: NTD

Items	Amount
Undistributed earnings at the beginning of the period	1,115,273,379
Add: Effect of changes in shares outstanding due to transfer of treasury stocks to employees	(16,152,900)
Adjusted undistributed earnings at the beginning of the period	1,099,120,479
The remeasurement of the defined benefit plan recognized in retained earnings.	(1,145,002)
Changes in shares of affiliates and joint ventures recognized under the equity method	0
Adjusted undistributed earnings	1,097,975,477
Net Income (Loss)	366,125,802
Less: Legal reserve	(36,498,080)
Less: Cash dividends (NT\$1.5 per share)	(373,476,713)
Undistributed earnings at the end of the period	1,054,126,486

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\$1.5 per share, if there are regulatory changes by the competent authority or changes to the Company's capital prior to the record date, 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:



Manager:



Accounting Officer:



Taiwan Mask Corporation

Comparison of Amendments to the Articles of Incorporation

Amended Articles	Current Articles	Explanation
<p>Article 2</p> <p>The business of the Company shall be as follows:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p><u>CA01050 Steel Secondary Processing</u></p> <p><u>CA02010 Aluminum Rolling, Drawing, and Extruding</u></p> <p><u>CB01010 Mechanical Equipment Manufacturing</u></p> <p>F401010 International Trade</p> <p><u>Research, design, development, manufacturing and sales of the following products or services:</u></p> <p>I. Research and development, production, manufacturing and sales of photomask.</p> <p><u>II. Welding of steel structures</u></p> <p><u>III. Building structure engineering, offshore wind power engineering, pressure vessels, and processing and manufacturing of thick metal plates</u></p> <p><u>IV. Laser welding equipment</u></p> <p>V. To provide technical assistance, consulting, testing and certification, maintenance and repair services relating to the aforesaid products.</p>	<p>Article 2</p> <p>The business of the Company shall be as follows:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p>F401010 International Trade</p> <p>I. Research and development, production, manufacturing and sales of photomask.</p> <p>II. To provide technical assistance, consulting, testing and certification, maintenance and repair services relating to the aforesaid products.</p>	<p>Revised in line with future operations and development.</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</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</p>	<p>Added the date of amendment</p>

Amended Articles	Current Articles	Explanation
<p>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. The 24th amendment was made on May 24, 2023. <u>The 25th amendment was made on May 27, 2024.</u></p>	<p>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. The 24th amendment was made on May 24, 2023.</p>	

[Appendix 1]

Taiwan Mask Corporation
Articles of Incorporation (before amendment)

May 24, 2023

The amendment was approved by the 2023 annual general meeting.

Chapter I. General Principle

- 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 Electronic Parts and 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 II. 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 III Shareholders' Meetings

- Article 11 There shall be two types of shareholders' meetings:
- 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 IV Directors and the Audit Committee

- Article 15 The Company shall have seven to nine 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 V. Managerial Officers

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 VI. 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 VII By-Laws

- Article 24 The directors, 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. The 24th amendment was made on May 24, 2023.

Taiwan Mask Corporation:



Chairman: Sean Chen



[Appendix 2]

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.
- III. The number of shares present shall be calculated based on the signature book or the sign-in card submitted.
- IV. 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 3]

**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 29, 2024, 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 03.29.2024

Job title	Name	Number of shares held	Holding percentage (%)
Chairman	Sean Chen	2,000,000	0.78
Director	Lidon Chen	3,750,000	1.46
Director	Chao-Yi Wu	10,298,000	4.02
Director	Youe Chung Capital Corporation Representative: Ming-Chung Chang	35,331,440	13.78
Independent Director	Wei-Chen Wang	0	0.00
Independent Director	Huan-Kuei Cheng	6,051	0.00
Independent Director	Hui-Fen Chan	0	0.00
Overall Directors' Shareholding Position (Excluding Independent Directors)		51,385,491	20.04

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