

**Sensortek Technology Corporation  
2023 Annual Shareholders' Meeting  
Meeting Agenda  
(Translation)**

**Meeting Date: June 20, 2023**

# **Table of Contents**

<b>I.</b>	<b>Meeting Procedure</b>	1
<b>II.</b>	<b>Meeting Agenda</b>	2
	1. Report Items	3
	2. Matters for Ratification	4
	3. Extemporaneous Motions	4
<b>III</b>	<b>Attachment</b>	
	1. 2022 Business Report	5
	2. 2022 Audit Committee's Review Report	9
	3. Independent Auditors' Report and 2022 Financial Statements	10
	4. 2022 Profit Distribution Proposal	20
<b>IV</b>	<b>Appendix</b>	
	1. Articles of Incorporation	21
	2. Rules of Procedure for Shareholders' Meeting	27
	3. Shareholdings of All Directors	38

**Sensortek Technology Corp.**  
**2023 Annual Shareholders' Meeting Procedure**

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Matters for Ratification
5. Extemporaneous Motions
6. Adjournment

# **Sensortek Technology Corp.**

## **2023 Annual Shareholders' Meeting Agenda**

Time: 9:00 a.m., June 20, 2023 (Tuesday)

Place: 2F., No. 3, Taiyuan 1st Street, Jhubei City, Hsinchu County (Multi-functional Conference Room, Tai Yuen Hi-Tech Industrial Park Phase III)

Convening method: physical shareholders meeting

1. Call Meeting to Order (Number of shares reported on attendance)
2. Chairman's Address
3. Report Items
  - (1) To report the Business of 2022
  - (2) 2022 Audit Committee's Review Report
  - (3) To report 2022 employees' compensation and remuneration to directors
  - (4) To report 2022 cash dividends distribution
4. Matters for Ratification
  - (1) To approve 2022 Financial Statements and Business Report
  - (2) To approve the proposal for distribution of 2022 profits
5. Extemporaneous Motions
6. Adjournment

# Report Items

## **1. To report the Business of 2022**

### **Explanation:**

Please refer to Attachment 1 on pages 5-8 of the Handbook for the 2022 Business Report.

## **2. 2022 Audit Committee's Review Report**

### **Explanation:**

Please refer to Attachment 2 on page 9 of the Handbook for the 2022 Audit Committee's Review Report.

## **3. To report 2022 employees' compensation and remuneration to directors**

### **Explanation:**

In accordance with the provisions of the Company's Articles of Incorporation, the remuneration of NT\$7,554,528 and NT\$75,545,273 have been distributed to directors and employees in cash, respectively.

## **4. To report 2022 cash dividends distribution**

### **Explanation:**

The earnings of 2022 are distributed first. The total cash dividends to be distributed is NT\$733,689,270 of NT\$15 per share.

## Matters for Ratification

### **Proposal 1**

**(Proposed by the Board of Directors)**

**To approve 2022 Financial Statements and Business Report**

#### **Explanation:**

- (1) The Board of Directors has delivered the Company's financial statements for 2022, which have been audited and completed by CPA Cheng-Chih Lin and Ming-Hui Chen of the Deloitte & Touche Taipei, Taiwan Republic of China, together with the business report, to the Audit Committee for verification, and the audit report has been issued.
- (2) Please refer to Attachment 1 on pages 5-8 of the Handbook for the 2022 Business Report, and Attachment 3 on pages 10-19 of the Handbook for the Independent Auditors' Report and the aforementioned financial statements.
- (3) Please proceed to ratify the proposal.

#### **Resolution:**

### **Proposal 2**

**(Proposed by the Board of Directors)**

**To approve the proposal for distribution of 2022 profits**

#### **Explanation:**

- (1) The net profit after tax for 2022 was NT\$842,773,293. The Profits Distribution Proposal is proposed in accordance with Company Act and Article 19 of the Company's Articles of Incorporation. Please refer to Attachment 4 on page 20 of the Handbook.
- (2) Please proceed to ratify the proposal.

#### **Resolution:**

## Extemporaneous Motions

## Adjournment

## Sensortek Technology Corp.

### Business Report

#### I. 2022 Operational Results

##### (I) Business plan implementation results

The Russia-Ukraine war triggered inflation that swept across the globe, forcing central banks of various countries to adopt aggressive interest rate policies. In a brief period of time, interest rates were pushed from zero to neutral levels. On the other hand, the disruption of the pandemic in China and its maintenance of a zero-COVID policy also caused a severe impact on the global economy. In the second half of the year, the demand for consumer electronics, personal computers, smartphones, and other products was weak due to the influence of poor global economic conditions and continuous inflation. On top of that, manufacturers had overstocked inventory in the previous year, resulting in high inventory levels that were still being addressed through destocking adjustments. In the face of a disappointing overall economy, which exacerbated the pessimistic market sentiment, the recovery of customer demand had been slow to regain momentum. In 2022, the Company experienced a 31.46% decrease in revenue from 2021 to NT\$4.02 billion. Similarly, gross profit declined by 41.95% year on year to NT\$1.56 billion. Net income after tax was reported at NT\$840 million, representing a 49.27% drop from the previous year with earnings per share of NT\$17.23.

The Company focused on enhancing the quality and application of optical sensors. Our proximity with ambient light sensors, designed for high-sensitivity under-display applications, were embraced by cell phone brand customers for high-end models. Accordingly, we established a position as a major supplier of optical sensors for high-end cell phones, with a notable rise in our product's average selling price. We also launched ambient light sensors for wearable devices, such as thin watches, extending the application of optical sensors beyond cell phone displays and capturing market share in the smartwatch segment to boost product shipments.

Whereas acceleration sensors were introduced to branded cell phone manufacturers and gradually expanded the shipments for smartphone applications. Nonetheless, the demand for consumer electronics products had shrunk due to the impact of inflation and economic recession. Per statistics from the market research agency, global smartphone shipments were down by 11.3% compared to the previous year. Given a sharp drop in demand for end-use applications, the Company's overall shipments decreased in 2022, suffering the first revenue decline in recent years.

(II) Profitability analysis

Item		2022	2021
Return on assets		13.06%	24.73%
Return on equity		17.50%	34.23%
Paid-in capital ratio (%)	Operating income	182.26%	388.46%
	Net profit before tax	202.56%	402.89%
Net profit margin		20.93%	28.28%
Earnings per share (NTD) (Note)		17.23	33.97

Note: The calculation is based on the weighted average number of shares outstanding in the year.

(III) Status of Research and Development

In pursuit of technology leadership and expansion into new application markets for revenue and profit growth, the Company persisted in investing in the R&D of various sensors. In 2022, R&D expenses amounted to NT\$480 million, accounting for 12.01% of revenue. The ratio was higher than the previous year's expenditure of NT\$550 million, or 9.38% of revenue.

In terms of enhancements to existing product specifications, our optical sensors developed a color temperature algorithm that optimized ambient light RGB sensitivity for under-display applications and provided a display



color temperature adjustment function in response to the increased penetration rate of OLED panel cell phones. Moreover, we continued to launch a cost-optimized solution for proximity with ambient light sensors in the next generation of long-wavelength (emitting components with a wavelength of 1300nm) and under-display applications. To keep up with the trend for low power consumption in wearable devices, UV sensors for wearable devices were introduced. As for the capacitive sensing sensor, we optimized the sensing performance of the specific absorption rate (SAR) sensor to meet the SAR specification outlined in telecommunications regulations across diverse usage scenarios. We also developed the multi-channel (8CH) capacitive touch sensor to equip TWS earphones with additional in-ear detection channels and multi-channel capacitive touch switch applications. For the diversified product layout, MEMS sensors released small-sized, low-power, low-noise pressure sensors for high-precision positioning and navigation applications.

## II. 2023 Business Plan Overview

The Company will continue to deepen customer relationships, reinforce customer loyalty, develop multiple applications for optical sensors, promote the use of wearable devices like smartwatches among existing cell phone brand customers, expand customer penetration of the optical sensor product line in non-cellular applications, diversify the sales market, and optimize the product portfolio. With regard to the MEMS and capacitive sensing sensor product lines, we aim to increase the market share of existing brand cell phone customers while ensuring the quality stability of accelerometer sensors and gradually accumulating sales performance with brand customers. In addition, we will introduce new sensor applications, including pressure sensors and SAR sensors, and become a strategic partner for our customers in all aspects of cell phone sensors.

To strengthen our technological competitiveness, we aim to cultivate advanced optical sensor technology to develop under-display application solutions with high sensitivity and ambient color temperature adjustment for next-generation displays with lower transmittance. In response to the upgrade of cell phone camera functions, we are developing small-package sensors that

integrate UV detection, ambient light (ALS/RGB), and ambient light flicker (Flicker) to launch differentiated products and expand the market. To broaden the application of our technology to other sensors, we plan for ongoing validation for new inertial sensor gyroscopes, improve the characteristics of MEMS sensors until they are ready for mass production, and launch the MEMS integrated gyroscope and accelerometer sensor for inertial measurement units. Meanwhile, we will focus on developing small-size, low-power, low-noise waterproof pressure sensors for waterproof, high-precision wearable, and IoT products, allowing us to offer our customers more comprehensive sensor solutions.

### III. Future Corporate Development Strategy, Effect of External Competition, Legal Environment, and Overall Business Environment

The outlook for 2023 remains challenging. Whereas the global inflationary rate hike pressure has eased, the recovery of overall economy and consumer spending is yet to be seen. China's economy is expected to rebound following the lifting of the zero-COVID policy. Nevertheless, geopolitical risks continue to escalate as two major economies, China and the U.S., contend against each other. The Company will proactively deploy its existing sensor products across multiple applications and expand the field of sensor technology. By doing so, it shall increase the added value of products and differentiate product specifications from those of its competitors, thus stabilizing its position in the high-end market. In light of the risks associated with climate change and sustainability issues of concern to stakeholders, we have set several sustainable development goals and shall implement them in our daily operations through long-term promotion and continuous improvement to pursue sustainable corporate development and long-term shareholder returns.

# **Sensortek Technology Corp.**

## **2022 Audit Committee's Review Report**

The Board of Directors has prepared the Company's business report, financial statements, and the profit distribution proposal for 2022, in which the financial statements have been audited by Deloitte & Touche Taipei, Taiwan Republic of China with the audit report issued. The above business report, financial statements, and profit distribution proposal have been verified by the Audit Committee and deemed as appropriate, and reported as above in accordance with the relevant provisions of the Securities Exchange Act and the Company Act for approval.

Sincerely,

2023 Annual Shareholders' Meeting of Sensortek Technology Corp.

Sensortek Technology Corp.

Chairman of the Audit Committee: Jen-Chi Lu

March 14, 2023

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders

Sensortek Technology Corporation

### **Opinion**

We have audited the accompanying financial statements of Sensortek Technology Corporation (the Company), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the Company's financial statements for the year ended December 31, 2022 are stated as follows:

### Recognition of sales revenue

The Company's main source of revenue comes from the sale of goods. For the year ended December 31, 2022, the revenue recognized was NT\$4,025,559 thousand, please refer to Notes 4, 21 and 32 for information on the accounting policies of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving customers' order and checking the transaction conditions, the business management unit creates a order in the system, and enters into the production schedule after obtaining the approval from the supervisor. As soon as the production is completed, the production management unit would issue packing lists and invoices from the system, the Company would obtain signed packing list or the bill of ladings on sight from the shipping companies when those shipping companies pick up the goods, then the system would check the shipping-related information, to generate the sales details. The accounting officers would recognize sales revenue according to the sales details.

We have assessed that the customers of the Company whose revenue had changed significantly for 2022 to be subject to the risk of validity of revenue recognition. Therefore, in order to confirm the validity of the Company's revenue recognition, we performed the following audit procedures on the sales transactions of these customers:

1. We understood the internal controls over revenue recognition, evaluated the design of the key controls, determined whether the controls have been implemented and tested the operating effectiveness of the controls.
2. We sampled and inspected whether an original purchase order existed for each sale and was approved appropriately.
3. We inspected product names and quantities on notifications of manufacturing, invoices and goods receipt and inspected the amounts to ensure they were consistent.
4. We inspected the reasonableness of collection of accounts receivable and whether the collection amounts and counterparties were consistent with the revenue recognized.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng Chih Lin and Ming Hui Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2023

## Sensortek Technology Corporation

### Balance Sheets

**December 31, 2022 and 2021**

(In Thousands of New Taiwan Dollars)

	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Assets</b>								
Current assets								
Cash and cash equivalents (Notes 4, 6 and 27)	\$ 1,511,021	27	\$ 1,975,445	27	\$	-	\$ 55,360	1
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 27)	92,417	2	418,890	6	2,363	-	-	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 27)	280,612	5	387,091	5	343,410	6	849,328	12
Financial assets at amortized cost - current (Notes 4, 9, 27 and 29)	870,500	15	1,527,400	21	83,100	2	163,345	2
Trade receivables, net (Notes 4, 10, 21 and 27)	230,008	4	332,862	5	433,958	8	473,450	7
Trade receivables - related parties, net (Notes 4, 10, 21, 27 and 28)	168,438	3	441,988	6	19,361	-	10,019	-
Other receivables (Notes 4, 10, 27 and 28)	5,552	-	5,916	-	174,288	3	311,864	4
Inventories (Notes 4, 5 and 11)	999,078	18	678,295	10	4,661	-	5,574	-
Prepayments (Note 16)	29,989	-	47,966	1	5,612	-	3,795	-
Other current assets (Notes 16 and 27)	771	-	1,328	-	1,066,753	19	1,872,735	26
Total current assets	4,188,386	74	5,817,181	81	787	-	5,448	-
Non-current assets					148,544	2	184,941	3
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 27)	195,022	3	80,111	1	149,331	2	190,389	3
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 27)	254,270	5	226,788	3	2,16,084	21	2,063,124	29
Property, plant and equipment (Notes 4, 12 and 32)	554,783	10	578,598	8	489,126	9	489,126	7
Right-of-use assets (Notes 4, 13 and 32)	5,327	-	10,891	-	2,202,370	39	2,202,370	30
Investment properties (Notes 4, 14 and 32)	424,606	7	430,732	6	473,144	8	307,009	4
Intangible assets (Notes 4, 15 and 32)	59,206	1	72,458	1	1,330,087	24	2,108,721	29
Other non-current assets (Notes 16 and 27)	4,129	-	4,128	-	1,803,231	32	2,415,730	33
Total non-current assets	1,497,343	26	1,403,706	19	( 25,082)	( 1)	50,537	1-
Total assets	5,685,729	100	7,220,887	100	4,469,645	79	5,157,763	71
					\$ 5,685,729	100	\$ 7,220,887	100
<b>Liabilities and Equity</b>								
Current Liabilities								
Short-term loans (Notes 4, 17, 25 and 27)								
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 27)								
Trade payables (Note 27)								
Accrued profit-sharing bonus to employees' remuneration of directors (Note 22)								
Other payables (Note 18)								
Other payables - related parties (Notes 27 and 28)								
Current tax liabilities (Notes 4 and 23)								
Lease liabilities - current (Notes 4, 13, 25, 27 and 28)								
Other current liabilities (Notes 21 and 27)								
Total current liabilities								
Non-current Liabilities								
Lease liabilities - non-current (Notes 4, 13, 25, 27 and 28)								
Other non-current liabilities (Notes 25 and 27)								
Total non-current liabilities								
Total liabilities								
Equity (Note 4 and 20)								
Share capital								
Ordinary shares								
Capital surplus								
Retained earnings								
Legal reserve								
Unappropriated earnings								
Total retained earnings								
Other equity								
Unrealized gain (loss) on financial assets at fair value through other comprehensive income								
Total equity								
Total liabilities and equity								

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



# Sensortek Technology Corporation

## Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
Net revenue (Notes 4, 21, 28 and 32)	\$ 4,025,559	100	\$ 5,873,003	100
Costs of revenue (Notes 4, 11 and 22)	<u>2,463,434</u>	<u>61</u>	<u>3,181,972</u>	<u>54</u>
Gross profit	<u>1,562,125</u>	<u>39</u>	<u>2,691,031</u>	<u>46</u>
Operating expenses (Notes 4, 10, 19, 22 and 28)				
Selling and marketing expenses	96,903	3	117,352	2
General and administrative expenses	90,152	2	123,427	2
Research and development expenses	483,589	12	550,780	10
Expected credit loss	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>670,661</u>	<u>17</u>	<u>791,559</u>	<u>14</u>
Other operating income and expenses (Notes 4 and 22)	<u>21</u>	<u>-</u>	<u>598</u>	<u>-</u>
Income from operations	<u>891,485</u>	<u>22</u>	<u>1,900,070</u>	<u>32</u>
Non-operating income and expenses (Notes 4, 22 and 28)				
Interest income	30,268	1	22,051	-
Other income	48,273	1	17,452	-
Other gains and losses	21,200	1	31,563	1
Finance costs	<u>(443)</u>	<u>-</u>	<u>(453)</u>	<u>-</u>
Total non-operating income and expenses	<u>99,298</u>	<u>3</u>	<u>70,613</u>	<u>1</u>
Income before income tax	990,783	25	1,970,683	33
Income tax expense (Notes 4 and 23)	<u>148,010</u>	<u>4</u>	<u>309,334</u>	<u>5</u>

(Continued)

	<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Net income for the year	<u>\$ 842,773</u>	<u>21</u>	<u>\$ 1,661,349</u>	<u>28</u>
Other comprehensive income (Notes 4 and 20)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	( 66,304)	( 2)	51,458	1
Items that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	<u>2,792</u>	<u>-</u>	( <u>2,523</u> )	<u>-</u>
Other comprehensive income for the year	( <u>63,512</u> )	( <u>2</u> )	<u>48,935</u>	<u>1</u>
Total comprehensive income for the year	<u>\$ 779,261</u>	<u>19</u>	<u>\$ 1,710,284</u>	<u>29</u>
Earnings per share (Note 24)				
Basic	<u>\$ 17.23</u>		<u>\$ 33.97</u>	
Diluted	<u>\$ 17.08</u>		<u>\$ 33.74</u>	

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

(Concluded)

## Sensortek Technology Corporation

### Statements of Changes in Equity For the years ended December 31, 2022 and 2021 (In Thousands of New Taiwan Dollars, unless otherwise stated)

	Share capital (Note 20)		Capital surplus (Note 20)	Retained earnings (Note 20)		Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity
	Shares (In Thousands)	Amount		Legal reserve	Unappropriated earnings		
Balance at January 1, 2021	48,912	\$ 489,126	\$ 170,464	\$ 1,684,451	\$ 1,602	\$ 4,548,013	
Appropriation of 2020 earnings	-	-	136,545	( 136,545)	-	-	
Legal reserve	-	-	-	( 1,100,534)	-	( 1,100,534)	
Cash dividends	-	-	-	1,661,349	-	1,661,349	
Net income for the year ended December 31, 2021	-	-	-	-	-	48,935	
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	48,935	
Total comprehensive income for the year ended December 31, 2021	-	-	-	1,661,349	-	1,710,284	
Balance at December 31, 2021	48,912	489,126	307,009	2,108,721	50,537	5,157,763	
Appropriation of 2021 earnings	-	-	166,135	( 166,135)	-	-	
Legal reserve	-	-	-	( 1,467,379)	-	( 1,467,379)	
Cash dividends	-	-	-	12,107	-	12,107	
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	( 12,107)	-	
Net income for the year ended December 31, 2022	-	-	-	842,773	-	842,773	
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	( 63,512)	( 63,512)	
Total comprehensive income for the year ended December 31, 2022	-	-	-	842,773	( 63,512)	779,261	
Balance at December 31, 2022	48,912	489,126	473,144	1,330,087	25,082	4,469,645	

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

# Sensortek Technology Corporation

## Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Income before income tax	\$ 990,783	\$ 1,970,683
Adjustments for:		
Depreciation expense	87,638	97,063
Amortization expense	29,109	29,493
Expected credit loss recognized on trade receivables	17	-
Net loss (gain) on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	11,678	( 42,168)
Finance costs	443	453
Interest income	( 30,268)	( 22,051)
Dividend income	( 31,396)	( 14,092)
Loss on disposal of property, plant and equipment	-	338
Write-downs of inventories	30,990	20,984
Unrealized net (gain) loss on foreign currency exchange	( 8,413)	3,521
Gain on modification of lease agreements	-	( 917)
Changes in operating assets and liabilities		
Trade receivable	103,255	( 38,189)
Trade receivables from related parties	276,570	( 287,025)
Other receivables	60	7
Inventories	( 351,773)	( 378,884)
Prepayments	18,209	16,023
Other current assets	557	181
Trade payables	( 507,635)	93,424
Other payables	( 27,773)	64,393
Other payables to related parties	9,509	1,462
Other current liabilities	1,817	( 9,067)
Accrued profit-sharing bonus to employees' compensation and remuneration of directors	( 80,245)	43,423
Cash generated from operations	523,132	1,549,055
Interest received	30,692	25,196
Interest paid	( 364)	( 171)
Income tax paid	( 285,818)	( 185,079)
Net cash generated from operating activities	<u>267,642</u>	<u>1,389,001</u>

(Continued)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 141,747)	(\$ 142,789)
Proceeds from disposal of financial assets at fair value through other comprehensive income	157,112	-
Acquisition of financial assets at amortized cost	( 1,240,300)	( 3,320,958)
Proceeds from the return of principle of financial assets at amortized cost	1,897,200	2,954,058
Acquisition of financial assets at fair value through profit or loss	( 172,190)	( 253,076)
Proceeds from disposal of financial assets at fair value through profit or loss	374,437	139,116
Acquisition of property, plant and equipment	( 63,888)	( 545,872)
Proceeds from disposal of property, plant and equipment	-	69
Increase in refundable deposits	( 100)	( 1,720)
Decrease in refundable deposits	100	502
Acquisition of intangible assets	( 15,807)	( 8,814)
Acquisition of investment properties	-	( 308,857)
Dividends received	<u>31,396</u>	<u>14,092</u>
Net cash generated from (used in) investing activities	<u>826,213</u>	<u>( 1,474,249)</u>
Cash flows from financing activities		
Proceeds from short-term borrowings	428,905	521,121
Repayments of short-term borrowings	( 484,385)	( 465,641)
Increase in guarantee deposits received	2,014	35,801
Decrease in guarantee deposits received	( 58,407)	-
Repayment of the principal portion of lease liabilities	( 5,674)	( 7,512)
Cash dividends distributed	<u>( 1,467,379)</u>	<u>( 1,100,534)</u>
Net cash used in financing activities	<u>( 1,584,926)</u>	<u>( 1,016,765)</u>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	<u>26,647</u>	<u>( 8,594)</u>
Net decrease in cash and cash equivalents	( 464,424)	( 1,110,607)
Cash and cash equivalents at the beginning of the year	<u>1,975,445</u>	<u>3,086,052</u>
Cash and cash equivalents at the end of year	<u>\$ 1,511,021</u>	<u>\$ 1,975,445</u>

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

(Concluded)

**Sensortek Technology Corp.**  
**2022 Profit Distribution Proposal**

Unit: NT\$

Item	Amount
Unappropriated retained earnings	475,206,963
Net profit after tax for current period	842,773,293
Disposal of financial assets measured at fair value through other comprehensive income to adjust retained earnings	12,106,500
Items other than net profit for the current period are included in the amount of undistributed surplus for the current year	854,879,793
Less: appropriation of legal surplus reserve of 10%	(85,487,979)
Less: special reserve in accordance with law	(25,081,562)
Retained earnings available for distribution for current period	1,219,517,215
Less: allocated items	
Shareholders' dividends (cash dividends of NT\$15 per share)	(733,689,270)
Unappropriated retained earnings	485,827,945

Note: (1) In compliance with the Finance Taxation's letter of April 30, 1998, the Ministry of Finance, No. 871941343, individual identification shall be adopted in the distribution of earnings. According to the earnings distribution principle of the Company, the earnings of 2022 shall be distributed first.

(2) The total number of shares issued by the Company is 48,912,618 shares, which is used as the basis for calculating the distribution of shareholders' dividends.

## Sensortek Technology Corp. Articles of Incorporation

### Chapter 1: General provisions

- Article 1: The Company is organized in accordance with the provisions of the Company Act, named "昇佳電子股份有限公司," and the English name is set as "Sensortek Technology Corp."
- Article 2: The Company's businesses is as follows:
- (I) CC01080 Electronics components manufacturing
  - (II) F113030 Wholesale of precision instruments
  - (III) F118010 Wholesale of computer software
  - (IV) F119010 Wholesale of electronic materials
  - (V) F213040 Retail sale of precision instruments
  - (VI) F218010 Retail sale of computer software
  - (VII) F219010 Retail sale of electronic materials
  - (VIII) F401010 International trade
  - (IX) I301010 Software design services
  - (X) I599990 Other designing
  - (XI) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
- Article 3: The head office of the Company is in Hsinchu County, Taiwan. If necessary, the Company will establish a branch offices or representative offices domestically or overseas with the resolution of the Board of Directors and the approval by the competent authority.
- Article 4: The Company's announcement method is specified under the Company Act.
- Article 5: The Company may transfer the investment to the Company as necessary, which maybe a limited liability shareholder of the company through a resolution of the Board of Directors. The total investment is not subject to the relevant investment quota as stipulated in Article 13 of the Company Act.
- Article 5-1: The Company may make external endorsements/guarantees, and the operations shall be in accordance with the Company's "Procedures for Endorsement and Guarantee."

### Chapter 2: Shares

Article 6: The registered capital of the Company is NT\$800 million, divided into 80 million full shares at a par value of NT\$10 per share. The Board of Directors shall be authorized to issue the shares in installments. NT\$50 million from the aforesaid capital shall be reserved for the issuance of employee stock options totaling 5 million shares at a par value of NT\$10 per share. The shares may be issued in installments in accordance with the resolution of the Board of Directors.

Article 6-1: The Company shall issue shares in accordance with the provisions of the Company Act and relevant laws and regulations, and may be exempted from printing any certificate in respect of the shares issued by it, but shall register the shares issued with a centralized securities custody institution.

The procedures for handling related shareholder services operations shall be in accordance to the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 6-2: Upon resolution adopted by two thirds or more of the votes of shareholders present at the Shareholders' Meeting that is attended by shareholders representing more than half of the total issued shares of the Company, the Company may issue employee stock options with the subscription price lower than the market price (net value per share) or buy back its shares and transfer such shares to its employees at a price lower than the average price of all shares bought back by the Company.

Article 6-3: Qualification requirements of transferees of the shares purchased by the Company in accordance with the law, employees entitled to receive employee stock options and new shares with restricted rights, and employees who have the right of subscribing to new shares may include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board shall be authorized to resolve on the requirements and allocation methods.

Article 7: Share transfers shall be made in accordance with Article 165 of the Company Act.

### **Chapter 3: Shareholders' Meeting**

Article 8: A Shareholders' Meeting can be a regular meeting or a special meeting. The Company shall convene a regular meeting once every year within six months after the end of each fiscal year and special meetings shall be convened when necessary in accordance with relevant laws and regulations.

The convening of Shareholders' Meeting shall be handled in accordance with Article 172 of the Company Act. The Company may convene the shareholders' meeting by video conferencing or other methods announced by the central competent authority.

Article 9: When a shareholder is unable to attend the Shareholders' Meeting for any reason,



it shall be handled in accordance with Article 177 of the Company Act.

Unless otherwise provided for in the Company Act, the appointment of proxies to attend a Shareholders' Meeting shall be in accordance with "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authority.

Article 10: Shareholders of the Company have one vote per share, except as otherwise provided in relevant laws and regulations.

Article 11: Resolutions at a Shareholders' Meeting shall, unless otherwise provided for in relevant laws and regulations, be adopted by a majority vote of the shareholders present, in person or by a proxy, who represent more than one-half of the total number of voting shares.

When the Company convenes a Shareholders' Meeting, shareholders may exercise their voting power in writing or by way of electronic transmission in the Shareholders' Meeting and the method of exercising their voting power shall be described in the Shareholders' Meeting notice.

The resolutions of the Shareholders' Meeting shall be recorded and handled in accordance with the provisions of Article 183 of the Company Act.

Article 12: The Shareholders' Meeting is convened by the Board of Directors, and led by the Chairman. If the Chairman of the Board of Directors is absent or cannot perform his duties for some reason, the Chairman of the Board of Directors shall designate one director to act on his behalf. In the absence of such a designation, the directors shall nominate among themselves to act on behalf of the Chairman. If the Shareholders' Meeting is convened by any person entitled to convene the meeting other than the board, such person shall be the meeting's chair. If there is more than one such person entitled to convene the meeting, those persons shall nominate among themselves to be the meeting's chair.

#### **Chapter 4: Directors and audit committee**

Article 13: The Company has five to nine directors with a three-year term and eligible for re-election. The election of directors shall adopt the candidate nomination system in accordance to Article 192-1 of the Company Act and the shareholders shall elect the directors from among the nominees listed in the roster of candidates. Among the above-mentioned, the number of independent directors shall not be less than three and not less than one-fifth of the seats in the board.

The professional qualifications, shareholdings, restrictions of concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be handled in accordance with the provisions of the competent authority.

The Company purchase liability insurance in accordance with the law during the course of its business operations and term of office of directors.

Article 13-1: In accordance with Article 14-4 of the Securities and Exchange Act, the Company shall set up an audit committee composed of all independent directors, which shall exercise the functions and powers of supervisors prescribed by the Company Act, Securities and Exchange Act, and other regulations.

The Company shall establish a remuneration committee or other functional committees as required by laws or business.

Article 14: The Board of Directors is organized by the directors, and shall elect the Chairman of the Board of Directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman of the Board of Directors shall externally represent the Company.

A notice setting forth the purpose of the meeting shall be given to each director no later than seven days prior to a Board of Directors meeting; however, a Board of Directors meeting may be convened at any time in case of emergency. The Board of Directors may be summoned by fax or e-mail instead of written notice.

Article 15: When the Chairman of the Board of Directors is on leave or absent or fail to exercise his/her power and authority for any reason, an acting Chairman shall be designated in accordance with the provisions of Article 208 of the Company Act.

Article 15-1: The directors shall attend the Board of Directors meeting in person. If for any reason a director is unable to attend a Board of Directors meeting, such director may appoint another director as his/her proxy in accordance with the provisions of Article 205 of the Company Act. However, no director may act as proxy for more than one other director. When a Board of Directors meeting is held by means of video conference, directors participating in such meeting via webcam shall be deemed to have attended the meeting in person.

Article 16: The Board of Directors shall determine the directors' remuneration in accordance with the extent of their participation in the operation of the Company and the value of their contribution, with reference to the domestic and foreign industry standards.

## **Chapter 5: Managers**

Article 17: The Company may appoint managerial personnel. The appointment, dismissal and compensation of such managerial personnel shall be made in accordance with Article 29 of the Company Act.

## Chapter 6: Accounting

Article 18: At the end of each fiscal year, the Board of Directors of the Company shall provide the following and submit to shareholders for approval in accordance with the legal procedures.

- (I) Business report.
- (II) Financial statements.
- (III) Proposals on distribution of earnings or compensation of deficits.

Article 18-1: If the Company makes a profit during the fiscal year, it shall set aside 1% to 25% of the profits as compensation for employees, and shall set aside not more than 1% of the profits as compensation for directors. However, if there is accumulated loss on the books of the Company, portion of the profit equaling the loss shall first be set aside to cover the latter before distributing compensation for employees and compensation for directors in accordance with the aforesaid proportion.

Employees' compensation may be distributed in the form of shares or in cash in accordance with resolution by the Board of Directors, and employees entitled to such distribution may include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

Article 19: If the account closing at the end of the fiscal year of the Company discloses profit after income tax, it shall be distributed in the following order:

- (I) Make up for accumulated losses.
- (II) Appropriate 10% as legal reserve, however, restrictions shall not apply if the amount of allocated legal reserve has reached the total paid-in capital of the Company.
- (III) Special reserve to be allocated or reversed in accordance with laws or regulations of the competent authority.
- (IV) The remaining profit, if any, shall collectively with any unappropriated earnings at beginning of the fiscal year (including adjusted unappropriated earnings) be included in an earnings distribution plan submitted by the Board of Directors for resolution at a Shareholders' Meeting.

The Company shall appropriate, yearly, no less than 10% of the surplus available for dividends as dividend bonus, where the dividend bonus may be distributed in form of cash or shares; provided, however, that the cash dividend shall not be less than 10% of the total dividends. The policy of dividend distribution shall be based on the Company's current and future investment environment, capital needs, domestic and foreign competition, capital budget and other factors, taking into account the interests of shareholders, balance of dividends, and long-term financial planning of the Company. The Board of Directors shall prepare a distribution plan and report to the Shareholders' Meeting on a yearly basis according to laws.

- Article 19-1: Distribution of dividends and bonuses in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the Shareholders' Meeting.
- Article 19-2: If the Company incurs no loss, distribution of legal reserve (portion which exceeded 25% of the paid-in capital) and capital surplus pursuant to the Company Act in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the Shareholders' Meeting.
- Article 20: Matters that are covered in this Articles of Incorporation shall be handled in accordance with relevant laws and regulations.
- Article 21: This Articles of Incorporation was formulated on November 10, 2009.  
The 1st amendment was made on July 31, 2012.  
The 2nd amendment was made on December 26, 2012.  
The 3rd amendment was made on March 31, 2016.  
The 4th amendment was made on June 13, 2017.  
The 5th amendment was made on February 26, 2019.  
The 6th amendment was made on May 21, 2019.  
The 7th amendment was made on August 03, 2021.  
The 8th amendment was made on June 21, 2022.

Sensortek Technology Corp.  
Chairman: Sheng-Su Lee

**Sensortek Technology Corp.**  
**Rules of Procedure for Shareholders' Meeting**

**Article 1: Purpose and legal reference**

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules (the "Rules") are adopted pursuant to Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. "

**Article 2: Scope of application**

Except as otherwise provided by relevant laws, regulations or the Company's Articles of Incorporation, the Company's shareholders' meetings shall be held in accordance with these Rules.

**Article 3: Convention and notice of shareholders' meetings**

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

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

meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter as set forth in Paragraph 1 of Article 185 of the Company Act shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform

to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

**Article 4: Attendance by proxy and authorization**

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article 5: Principles determining the place and time of a shareholders' meeting**

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

**Article 6: Preparation of attendance book and other documents**

The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend

shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

**Article 7: Chair of the shareholders' meeting and non-voting participants**

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

**Article 8: Video or audio recording of the proceeding of the meeting**



The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

**Article 9: Share number calculation for attendance at shareholders' meetings and convention of meetings**

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

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

**Article 10: Discussion of proposals**

If a shareholders' meeting is convened by the Board of Directors, the meeting

agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### **Article 11: Speeches of shareholders**

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

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

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

When an attending shareholder is speaking, other shareholders may not speak or

interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

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

#### **Article 12: Calculation of voting shares and recusal system**

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

**Article 13:** A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or

electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company 's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

voting shall be required.

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

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### **Article 14: Election**

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company and the voting results shall be announced on-site immediately.

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

#### **Article 15: Meeting minutes and acknowledgment**

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

#### **Article 16: Public disclosure**

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by

solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### **Article 17: Maintenance of order at the meeting place**

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

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### **Article 18: Recess and resumption of a shareholders' meeting**

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

#### **Article 19: Supplementary provisions**

Matters not set forth in the Rules shall be dealt in accordance with the Company Act, the Securities and Exchange Act and relevant laws and regulations.

**Article 20:** These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

**Sensortek Technology Corp.**  
**Shareholdings of All Directors**

- I. The Company's paid-in capital is NT\$489,126,180 and a total of 48,912,618 shares have been issued.
- II. In accordance with the provisions of Article 26 of the "Securities and Exchange Act" and "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the total number of shares held by all directors shall not be less than 3,913,009 shares, and the total number of shares held by all directors has met statutory minimum shareholding requirements.
- III. The shares held by individual and all directors as of the book closure date of this shareholders' meeting (April 22, 2023) are shown in the table below:

Title	Name	Shares held	Shareholding ratio
Chairman	Representative of Sitronix Technology Corporation: Sheng-Su Lee	22,529,596	46.06%
Director	Representative of Sitronix Technology Corporation: Vincent Mao	22,529,596	46.06%
Director	Representative of Sitronix Technology Corporation: Chu-Yuan Yang	22,529,596	46.06%
Director	Hua-Cheng Tseng	-	-
Independent Director	Jen-Chi Lu	-	-
Independent Director	Chun-Yi Hsu	-	-
Independent Director	Shu-Chun Huang	-	-
Total number of shares owned by all directors		22,529,596	46.06%

Note 1: If there are more than two independent directors, the shareholding ratio calculated of all the directors other than independent directors shall be reduced to 80%.

Note 2: The Company has established an Audit Committee and therefore there is no statutory number of shares held by the supervisor applicable.





11F, No. 6, Taiyuan 2nd St., Zhubei City

Hsinchu County 302, Taiwan

TEL +886-3-5601000

FAX +886-3-5601234

[www.sensortek.com.tw](http://www.sensortek.com.tw)