



Silicon Optronics, Inc.

2022 Annual Shareholders' Meeting

Meeting Agenda

(Translation)

June 23, 2022

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Meeting Agenda

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Silicon Optronics, Inc.

2022 Annual Shareholders' Meeting Agenda

(Translation)

Type of Meeting: Physical Meeting

Time: 9:00 a.m., June, 23, 2022 (Thursday)

Place: Einstein Hall, Science Park Life Hub, 2F, No. 1, Gongye E. 2nd Rd., Hsinchu
Science Park, Hsinchu City

Chairman: Mr. James He, Chairman of the Board of Directors

Meeting Procedure

I. Calling Meeting to Order

II. Chairman Remarks

III. Report Items

(I) 2021 Business Report

(II) 2021 Audit Committee's Review Report

(III) To report 2021 employees profit sharing bonus and directors compensation

(IV) Amendment to the Corporate Governance Best Practice Principles

IV. Acknowledgments

(I) 2021 Business Report and Financial Statements

(II) The Proposal for distribution of 2021 earnings

V. Proposed Resolutions

(I) Amendment to the Articles of Incorporation

(II) Amendment to the Procedures for Acquisition or Disposal of Assets

(III) To Release the Prohibition on Directors from Participation in Competitive Business

VI. Other Business and Special Motion

VII. Meeting Adjourned

Report items

Report item I.

Proposed by the Board of Directors

Subject: 2021 Business Report.

Explanation: 2021 Business Report is attached as Attachment I .

Report item II.

Proposed by the Board of Directors

Subject: Audit Committee's review report on the 2021 final statements.

Explanation: 2021 Audit Committee's review report is attached as Attachment II .

Report item III.

Proposed by the Board of Directors

Subject: Report on 2021 employees' compensation and remuneration to directors.

Explanation:

1. According to Article 31 of the Company's Articles of Incorporation, if there is any profit for a specific fiscal year, the Company shall allocate no less than 0.005% and no more than 25% of the profit as employees' compensation and shall allocate at a maximum of 3% of the profit as remuneration to directors.
2. The Board has adopted a proposal for distribution of 2021 profit as follows: employees' compensation is NT\$78,500,000 and the remuneration to directors is NT\$10,000,000, both shall be paid in cash.

Report item IV.

Proposed by the Board of Directors

Subject: Amendment to the Corporate Governance Best Practice Principles.

Explanation:

In order to conform to the amendments of relevant laws, the Company plans to amend the Corporate Governance Best Practice Principles. The comparison table illustrating the original and amended texts of the Corporate Governance Practice Principles is available as Attachment III .

Acknowledgments

Acknowledgement item I.

Proposed by the Board of Directors

Subject: Adoption of the 2021 Business Report and Financial Statements.

Explanation:

- 1.SOI's 2021 financial statements has been approved by the Board of Directors and were audited by independent auditors Mr. Ming-Yuan Chung and Mr. Tung-Hui Yeh of Deloitte & Touche. The financial statements and business report were reviewed by the Audit Committee.
- 2.For the business report, Independent Auditors' Report, and the financial statements are attached as Attachment I , Attachment IV and Attachment V .

Voting by poll:

Acknowledgement item II.

Proposed by the Board of Directors

Subject: Adoption of the proposal for distribution of 2021 earnings

Explanatory Notes:

1. The proposal for distribution profits is NT\$270,035,150 that is allocated from profits in 2021 available for distribution. Cash dividend of NT\$3.5 per share.
2. The Board of directors will be authorized to determine the cash dividend record date and payment date upon the approval of the profit distribution proposal at the Annual Meeting of Shareholders.
3. In the event of any change in the number of outstanding shares, the dividend per share will be adjusted accordingly.
4. The proposal for distribution of 2021 is attached as Attachment VI.

Voting by poll:

Proposed Resolutions

Proposed resolutions item I.

Proposed by the Board of Directors

Subject: Amendment to the Articles of Incorporation.

Explanation:

1. To meet the requirements of the law and the actual operating needs of the Company, it is proposed to amend part of the articles of the Company's Articles of Incorporation.
2. Please refer to Attachment VII .

Voting by poll:

Proposed resolutions item II.

Proposed by the Board of Directors

Subject: Amendment to the Procedures for Acquisition or Disposal of Assets

Explanation:

1. To meet the requirements of the law and the actual operating needs of the Company, it is proposed to amend part of the articles of the Company's Procedures for Acquisition or Disposal of Assets.
2. Please refer to Attachment VIII .

Voting by poll:

Proposed Resolutions item III

Proposed by the Board of Directors

Subject: To Release the Prohibition on Directors from Participation in Competitive Business.

Explanatory Notes:

1. According to the Company Act article 209, a director who acts for himself or on behalf of another person that is within the scope of the company's business, shall secure approval for such at the meeting of shareholders.
2. It is proposed to request to release the prohibition on directors from participation in competitive business.
3. Please refer to Attachment IX .

Voting by poll:

Other Business and Special Motion

Meeting Adjourned

Business Report



(Attachment I)

The operating revenue of Silicon Optronics, Inc. in 2021 was NT\$3,996,496 thousand, an increase of 20% compared with the previous year. The overall sales volume decreased slightly by 7.5% compared with the previous year due to factors such as product portfolio adjustment and supply chain management. The net profit after tax in 2021 was NT\$741,050 thousand, a significant increase compared with NT\$281,438 thousand in the previous year. The basic after-tax earnings per share for 2021 was NT\$9.61, substantially up 163% from NT\$3.65 for 2020.

In 2021, the Company continued to develop in security monitoring, automotive electronics, consumer electronics, and biological chip image sensor products. Driven by the market and new technology, security monitoring, home security, remote video, and all kinds of IoT consumer webcams are still the focus of the application of video products. We also continue to develop new technologies and product applications to expand the market and increase the added value of our products, such as the introduction of 360-degree panoramic camera solutions for home security and video products, and a series of near-infrared enhanced back-view sensors, providing customers with more choices for application.

In terms of applications in other fields, the Company also successfully developed and obtained the AEC-Q100 certification for automotive-grade packaging in 2021, further enriching the application of automotive imaging products. The Company also plans to launch a series of high-performance products for applications in Car DVRs, reversing cameras and surround view cameras, including improved near-infrared photosensitivity, higher dynamic range and other functions to meet customer needs.

Global markets are still affected by the changes and shocks brought about by the COVID-19 pandemic in early 2020. In 2021, the semiconductor supply chain continued to suffer from increased production costs due to capacity allocation and higher raw material costs. The Company strengthens the management of customer groups with brand advantages while actively developing new product application areas so as to enhance the Company's competitive edge. Furthermore, the Company has started to introduce its planned innovative technologies such as BSI sensors, near-infrared sensing enhancing technology and global shutter products integrate to customers, expecting to bring new application opportunities for customers.

The Company always upholds a prudent and pragmatic attitude in the face of future challenges, and have a good supply chain management to enhance the overall competitiveness of the Company, and continues to actively expand the market. We would like to thank our shareholders, customers and suppliers for all your long-term support, and also appreciate all our colleagues for your hard work and contributions to the Company. We will put all our efforts to keep growing and feedback to all of you.

Chairman:



General Manager:



Chief Accountant:



Audit Committee's Review Report

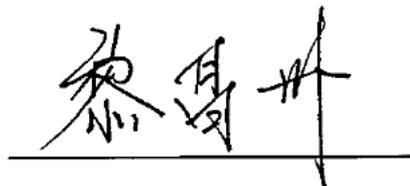
(Attachment II)

The Board of Directors has prepared the Company's Business Report, Financial Statements (including Consolidated Financial Statements) and Earnings Distribution Proposal for 2021, in which the financial statements (including Consolidated Financial Statements) have been audited by Deloitte & Touche Taipei, Taiwan Republic of China with the audit report issued.

The above Business Report, Financial Statements (including Consolidated Financial Statements) and Earnings Distribution Proposal have been verified by the Audit Committee and deemed as appropriate, and hereby reported in accordance with the relevant provisions of the Securities Exchange Act and the Company Act for approval.

Silicon Optronics, Inc.

Convener of the Audit Committee:

A handwritten signature in black ink, consisting of three characters: '黎', '昌', and '州'. The signature is written above a horizontal line.

黎昌州

March 16, 2022

Silicon Optronics, Inc.

Comparison Table for the Corporate Governance Best Practice Principles Before and After
Amendment

Articles	Articles after Amendment	Articles before Amendment	Reasons for Amendment
Article 10	Paragraphs 1-3 are omitted. It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the Company's financial reports or relevant results, <u>including (but not limited to) the directors shall not trade their stocks 30 days before the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial reports during the closing period.</u>	Paragraphs 1-3 are omitted. It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the Company's financial reports or relevant results.	Amendments are made in accordance with the laws and actual needs
Article 10-1:	<u>It is advisable that the remuneration to the shareholders of the Company to be reported at the shareholders' meeting shall include the remuneration policy, the contents and amount of individual remuneration, and the correlation with the performance evaluation results.</u>	(None)	New article
Article 24	The Company shall appoint independent directors in accordance with its Articles of Incorporation, which shall be not less than three in number <u>and not less than one-third of the total number of directors.</u> Paragraphs 2-6 are omitted.	The Company shall appoint independent directors in accordance with its Articles of Incorporation, which shall be not less than three in number and not less than one-fifth of the total number of directors. Paragraphs 2-6 are omitted.	Amendments are made in accordance with the laws and actual needs
<u>Article 49</u>	The Company shall disclose and update from time to time the following information regarding corporate governance <u>on a dedicated section on its website:</u> I. <u>Board of Directors: for example, resumes of board members and their rights</u>	The Company shall disclose and update from time to time the following information regarding corporate governance <u>in the fiscal year in accordance with relevant laws and regulations of the Stock Exchange:</u> I. <u>Corporate governance framework and rules.</u> II. <u>Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy).</u>	Amendments are made in accordance with the laws and actual needs

	<p>and responsibilities, diversity policies of board members and implementation.</p> <p>II. <u>Functional committees: for example, resumes of members of functional committees and their responsibilities.</u></p> <p>III. <u>Regulations related to corporate governance: for example, Articles of Incorporation, Regulations Governing Procedure for Board of Directors Meetings of Public Companies, Functional Committee Charter and other regulations related to corporate governance.</u></p> <p>IV. <u>Important information related to corporate governance: for example, information of setting up Chief Corporate Governance Officer.</u></p>	<p>III. <u>Structure, professionalism and independence of the board of directors.</u></p> <p>IV. <u>The responsibilities of the board of directors and managerial personnel.</u></p> <p>V. <u>Composition, duties and independence of the audit committee.</u></p> <p>VI. <u>Composition, duties and operation of the remuneration committee and other functional committees.</u></p> <p>VII. <u>The remuneration paid to the directors, general manager and vice general manager in the last two fiscal years, the analysis of the percentage of total remuneration to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance and future risk. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed.</u></p> <p>VIII. <u>The progress of training of directors.</u></p> <p>IX. <u>The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.</u></p> <p>X. <u>Details of the events subject to information disclosure required by law and regulations.</u></p> <p>XI. <u>The enforcement of corporate governance, differences between the corporate governance principles implemented by the Company and these Principles, and the reason for the differences.</u></p> <p>XII. <u>Other information regarding corporate governance.</u> <u>The Company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.</u></p>	
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Independent Auditors' Report (Consolidated Financial Statements)

The Board of Directors and Shareholders
Silicon Optronics, Inc.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2021 are described as follows:

Sales Revenue

The Group's sales revenue derived from its key customers accounted for a high proportion of the overall sales revenue. Since the sales amount from the transactions with these customers is significant to the overall sales revenue, we believe that there is a risk in the validity of the Group's sales transactions; therefore, the validity of sales revenue from the key customers has been identified as a key audit matter for the year ended December 31, 2021. For the accounting policies on revenue recognition, please refer to Note 4(m) to the consolidated financial statements.

Our main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We understood internal controls on order approval and shipment procedures and tested the operating effectiveness of such controls.
2. We understood the background of the key customers and assessed whether the transaction amounts and

credit line were comparable to the scope of such customers and whether they had been appropriately approved.

3. To confirm the validity of sales revenue, we selected samples of the sales transactions and inspected the customer orders, as well as delivery orders and invoices that have been confirmed by the counterparties, and also whether the sales counterparties were the same as the counterparties collecting payment.

Inventory Valuation

As of December 31, 2021, the Group's inventory balance was \$1,517,061 thousand, accounting for 39% of the combined total assets. For the related accounting policies, please refer to Note 4(g) to the consolidated financial statements. As the amount of the inventory is significant and the assessment of net realizable value involves significant management judgments, particularly with regard to estimates of inventory valuation and obsolescence loss, thus, inventory valuation was considered as a key audit matter. We have evaluated the appropriateness of the method used by the Group to calculate the inventory valuation and obsolescence loss at the end of the year and performed the following audit procedures:

1. Based on our understanding of the industry and nature of products of the Group, we verified the appropriateness of the method of inventory aging management, and also took samples of and tested whether the aging classification was appropriate.
2. We performed recalculations to determine if the assessment of the net realizable value was reasonable, and verified whether the inventories were measured at the lower of cost and net realizable value based on the most recent raw material quotes or sales data, and also assessed the reasonableness of the assessment of changes in the provision for inventory write-downs.
3. We obtained and verified the details of inventory valuation and obsolescence losses and aging data, and analyzed the reasons for the differences in the provision for loss in 2021 compared to 2020, to assess whether the provision for inventory valuation and obsolescence losses was appropriate.

Other Matter

We have also audited the parent company only financial statements of Silicon Optronics, Inc. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Yuan Chung and Tung-Hui Yeh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2022

Notice to Readers

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

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

Independent Auditors' Report

(Parent Company Only Financial Statements)

The Board of Directors and Shareholders
Silicon Optronics, Inc.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters of the Company's parent company only financial statements for the year ended December 31, 2021 are described as follows:

Sales Revenue

The Company's sales revenue derived from its key customers accounted for a high proportion of the overall sales revenue. Since the sales amount from the transactions with these customers is significant to the overall sales revenue, we believe that there is a risk in the validity of the Company's sales transactions; therefore, the validity of sales revenue from the key customers has been identified as a key audit matter for the year ended December 31, 2021. For the accounting policies on the revenue recognition, please refer to Note 4 (k) to the parent company only financial statements.

Our main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We understood the internal controls on order approval and shipment procedures and tested the operating effectiveness such controls.
2. We understood the background of the key customers and assessed whether the transaction amounts and credit lines were comparable to the scope of such customers and whether they had been appropriately approved.
3. To confirm the validity of sales revenue, we selected samples of the sales transactions and inspected the customer orders as well, delivery orders and invoices that have been confirmed by the counterparties, and also whether the sales counterparties were the same as the counterparties collecting payment.

Inventory Valuation

As of December 31, 2021, the Company's inventory balance was \$1,517,061 thousand, accounting for 40% of the combined total assets. For the related accounting policies, please refer to Note 4 (e) to the parent company only financial statements. As the amount of the inventory is significant and the assessment of net realizable value involves significant management judgements, particularly with regard to estimates of inventory valuation and obsolescence loss, thus, inventory valuation was considered as a key audit matter. We have evaluated the appropriateness of the method used by the Company to calculate the inventory valuation and obsolescence loss at the end of the year and performed the following audit procedures:

1. Based on our understanding of the industry and nature of products of the Company, we verified the appropriateness of the method of inventory aging management, and also took samples of and tested whether the aging classification was appropriate.
2. We performed recalculations to determine if the assessment of the net realizable value was reasonable, and verified whether the inventories were measured at the lower of cost and net realizable value based on the most recent raw material quotes or sales data, and also assessed the reasonableness of the assessment of changes in the provision for inventory write-downs.
3. We obtained and verified the details of inventory valuation and obsolescence losses and aging data, and analyzed the reasons for the differences in the provision for loss in 2021 compared to 2020, to assess whether the provision for inventory valuation and obsolescence losses was appropriate.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Yuan Chung and Tung-Hui Yeh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2022

Notice to Readers

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

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

SILICON OPTRONICS, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

ASSETS	2021		2020		LIABILITIES AND EQUITY	2021		2020	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 919,634	24	\$ 547,597	18	Contract liabilities - current (Note 19)	\$ 35,139	1	\$ 15,940	1
Financial assets at amortized cost - current (Notes 4, 7 and 25)	538,582	14	758,754	25	Accounts payable (Note 4)	352,498	9	120,321	4
Accounts receivable - net (Notes 4 and 8)	14,680	-	32,842	1	Accounts payable to related parties (Notes 4 and 26)	-	-	154,167	5
Inventories (Notes 4, 5 and 9)	1,517,061	39	849,523	29	Other current liabilities (Notes 4 and 16)	228,995	6	100,836	3
Prepayments and other current assets (Notes 4, 14 and 25)	<u>86,480</u>	<u>2</u>	<u>61,430</u>	<u>2</u>	Current tax liabilities (Notes 4 and 21)	149,388	4	47,664	2
Total current assets	<u>3,076,437</u>	<u>79</u>	<u>2,250,146</u>	<u>75</u>	Lease liabilities - current (Notes 4 and 12)	6,674	-	7,667	-
					Current portion of long - term borrowing(Note15)	100,000	3	-	-
NON-CURRENT ASSETS					Refund liabilities - current(Note16)	<u>17,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets at amortized cost - noncurrent (Notes 4, 7, 25 and 27)	3,512	-	4,048	-	Total current liabilities	<u>889,812</u>	<u>23</u>	<u>446,595</u>	<u>15</u>
Property, plant and equipment (Notes 4, 11 and 27)	487,299	13	513,112	17	NON-CURRENT LIABILITIES				
Right-of-use assets (Notes 4 and 12)	8,357	-	17,085	-	Long-term borrowings (Notes 4 and 15)	250,000	7	350,000	12
Goodwill (Notes 4 and 5)	199,228	5	199,228	7	Deferred income tax liabilities (Notes 4 and 21)	-	-	208	-
Intangible assets (Notes 4 and 13)	5,458	-	7,784	-	Lease liabilities - non-current (Notes 4 and 12)	1,215	-	-	-
Deferred tax assets (Notes 4 and 21)	13,919	1	17,454	1	Guarantee deposits	<u>6,977</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other non-current assets (Notes 4, 14 and 17)	<u>84,703</u>	<u>2</u>	<u>3,161</u>	<u>-</u>	Total non-current liabilities	<u>258,192</u>	<u>7</u>	<u>350,208</u>	<u>12</u>
Total non-current assets	<u>802,476</u>	<u>21</u>	<u>761,872</u>	<u>25</u>	Total liabilities	<u>1,148,004</u>	<u>30</u>	<u>796,803</u>	<u>27</u>
					EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 18 and 23)				
TOTAL	\$ 3,878,913	100	\$ 3,012,018	100	Ordinary shares	781,529	20	781,059	26
					Capital surplus	1,132,749	29	1,131,714	37
					Retained earnings				
					Legal reserve	94,057	3	65,911	2
					Special reserve	4,250	-	2,365	-
					Unappropriated earnings	821,078	21	325,938	11
					Other equity				
					Exchange differences on translating the financial statements of foreign operations	(5,759)	-	(4,250)	-
					Treasury shares	<u>(96,995)</u>	<u>(3)</u>	<u>(96,995)</u>	<u>(3)</u>
					Total equity	<u>2,730,909</u>	<u>70</u>	<u>2,205,742</u>	<u>73</u>
					TOTAL	\$ 3,878,913	100	\$ 3,002,545	100

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

SILICON OPTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 30)	\$ 3,996,496	100	\$ 3,328,695	100
OPERATING COSTS (Notes 9, 20 and 26)	<u>2,609,116</u>	<u>65</u>	<u>2,656,485</u>	<u>80</u>
GROSS PROFIT	<u>1,387,380</u>	<u>35</u>	<u>672,210</u>	<u>20</u>
OPERATING EXPENSES (Notes 20 and 26)				
Selling and marketing expenses	25,023	1	20,291	1
General and administrative expenses	75,847	2	45,670	1
Research and development expenses	<u>402,551</u>	<u>10</u>	<u>284,672</u>	<u>8</u>
Total operating expenses	<u>503,421</u>	<u>13</u>	<u>350,633</u>	<u>10</u>
OPERATING INCOME	<u>883,959</u>	<u>22</u>	<u>321,577</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	5,285	-	4,488	-
Other income	526	-	458	-
Other gains and losses	8,291	1	3,519	-
Financial costs	<u>(3,613)</u>	<u>-</u>	<u>(2,803)</u>	<u>-</u>
Total non-operating income and expenses	<u>10,489</u>	<u>1</u>	<u>5,662</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	894,448	23	327,239	10
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(153,398)</u>	<u>(4)</u>	<u>(45,801)</u>	<u>(2)</u>
NET INCOME	<u>741,050</u>	<u>19</u>	<u>281,438</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 17)	18	-	19	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 18)	<u>(1,509)</u>	<u>-</u>	<u>(1,885)</u>	<u>-</u>
Total other comprehensive (loss) income	<u>(1,491)</u>	<u>-</u>	<u>(1,866)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 739,559</u>	<u>19</u>	<u>\$ 279,572</u>	<u>8</u>

(Continued)

SILICON OPTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 9.61</u>		<u>\$ 3.65</u>	
Diluted	<u>\$ 9.53</u>		<u>\$ 3.64</u>	

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

SILICON OPTRONICS, INC. AND SUBSIDIARIES

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

	<u>Ordinary Share Capital</u>		<u>Capital Surplus</u>	<u>Retained Earnings</u>			<u>Other Equity Exchange Difference on Translating the Financial Statements of Foreign Operations</u>	<u>Treasury Shares</u>	<u>Total Equity</u>
	<u>Number of Shares (In Thousands)</u>	<u>Amount</u>		<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Earnings</u>			
BALANCE, JANUARY 1, 2020	78,081	\$ 780,809	\$ 1,131,702	\$ 50,310	\$ -	\$ 216,659	\$ (2,365)	\$ (96,995)	\$ 2,080,120
Appropriation of 2019 earnings									
Legal reserve	-	-	-	15,601	-	(15,601)	-	-	-
Special reserve	-	-	-	-	2,365	(2,365)	-	-	-
Cash dividends distributed by Silicon Optronics, Inc.	-	-	-	-	-	(154,212)	-	-	(154,212)
Net profit for the year ended December 31, 2020	-	-	-	-	-	281,438	-	-	281,438
Other comprehensive loss for the year ended December 31, 2020	-	-	-	-	-	19	(1,885)	-	(1,866)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	281,457	(1,885)	-	279,572
Issuance of ordinary shares under employee share options	25	250	12	-	-	-	-	-	262
BALANCE, DECEMBER 31, 2020	78,106	781,059	1,131,714	65,911	2,365	325,938	(4,250)	(96,995)	2,205,742
Appropriation of 2020 earnings									
Legal reserve	-	-	-	28,146	-	(28,146)	-	-	-
Special reserve	-	-	-	-	1,885	(1,885)	-	-	-
Cash dividends distributed by Silicon Optronics, Inc.	-	-	-	-	-	(215,897)	-	-	(215,897)
Net profit for the year ended December 31, 2021	-	-	-	-	-	741,050	-	-	741,050
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	18	(1,509)	-	(1,491)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	741,068	(1,509)	-	739,559
Issuance of ordinary shares under employee share options	47	470	1,035	-	-	-	-	-	1,505
BALANCE, DECEMBER 31, 2021	78,153	\$ 781,529	\$ 1,132,749	\$ 94,057	\$ 4,250	\$ 821,078	\$ (5,759)	\$ (96,995)	\$ 2,730,909

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

SILICON OPTRONICS, INC. AND SUBSIDIARIES

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 894,448	\$ 327,239
Adjustments for:		
Depreciation expenses	103,727	90,351
Amortization expenses	6,825	7,422
Finance costs	3,613	2,803
Interest income	(5,285)	(4,488)
Write downs of inventories	(19,090)	22,512
Net loss (gain) on foreign currency exchange	(143)	1,443
Changes in operating assets and liabilities		
Accounts receivable	18,427	(21,686)
Inventories	(648,448)	(15,515)
Prepayments and other current assets	(25,050)	41,354
Contract liabilities	19,371	5,832
Accounts payable	233,698	(7,098)
Accounts payables to related parties	(155,010)	18,213
Accrued expenses and other current liabilities	122,984	46,613
Refund liabilities	17,118	-
Net defined benefit assets	(35)	(35)
Cash generated from operations	<u>567,150</u>	<u>514,960</u>
Income tax paid	<u>(48,347)</u>	<u>(7,387)</u>
Net cash generated from operating activities	<u>518,803</u>	<u>507,573</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(601,348)	(671,516)
Proceeds from financial assets at amortized cost	821,480	50,012
Payments of property, plant and equipment	(64,444)	(66,842)
Increase in refundable deposits	(82,157)	(147)
Payments for intangible assets	(4,680)	(3,608)
Payments for right-of-use assets	(500)	-
Interest received	<u>5,285</u>	<u>4,488</u>
Net cash generated from (used in) investing activities	<u>73,636</u>	<u>(687,613)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	350,000
Proceeds of guarantee deposits received	6,977	-
Repayment of the principal portion of lease liabilities	(9,143)	(7,426)
Dividends paid	(215,897)	(154,212)
Exercise of employee share options	1,505	262
Interest paid	<u>(3,613)</u>	<u>(2,803)</u>
Net cash generated from (used in) financing activities	<u>(220,171)</u>	<u>185,821</u>

(Continued)

SILICON OPTRONICS, INC. AND SUBSIDIARIES

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

	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>(231)</u>	\$ <u>110</u>
NET INCREASE IN CASH	372,037	5,891
CASH AT THE BEGINNING OF THE YEAR	<u>547,597</u>	<u>541,706</u>
CASH AT THE END OF THE YEAR	<u>\$ 919,634</u>	<u>\$ 547,597</u>

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

SILICON OPTRONICS, INC.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020		LIABILITIES AND EQUITY	2021		2020	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 857,516	22	\$ 518,384	17	Contract liabilities - current (Note 19)	\$ 35,139	1	\$ 15,940	-
Financial assets at amortized cost - current (Notes 4, 7 and 25)	538,582	14	758,754	25	Accounts payable (Note 4)	348,900	9	116,620	4
Accounts receivable - net (Notes 4 and 8)	14,680	-	32,842	1	Accounts payable to related parties (Notes 4 and 26)	-	-	154,167	5
Inventories (Notes 4, 5 and 9)	1,517,061	40	849,523	29	Other payables to related parties (Notes 4 and 26)	11,512	-	7,873	-
Prepayments and other current assets (Notes 4, 14 and 25)	<u>34,005</u>	<u>1</u>	<u>20,230</u>	<u>1</u>	Other current liabilities (Notes 4 and 16)	179,172	5	86,840	3
Total current assets	<u>2,961,844</u>	<u>77</u>	<u>2,179,733</u>	<u>73</u>	Current tax liabilities (Notes 4 and 21)	149,168	4	47,029	2
					Lease liabilities - current (Notes 4 and 12)	4,210	-	4,168	-
NON-CURRENT ASSETS					Current portion of long - term borrowing (Note 15)	100,000	3	-	-
Financial assets at amortized cost - noncurrent (Notes 4, 7, 25 and 27)	3,512	-	4,048	-	Refund liabilities - current (Note 16)	<u>17,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment accounted for using the equity method (Notes 4 and 10)	277,919	7	268,231	9	Total current liabilities	<u>845,219</u>	<u>22</u>	<u>432,637</u>	<u>14</u>
Property, plant and equipment (Notes 4, 11 and 27)	486,952	13	512,650	17	NON-CURRENT LIABILITIES				
Right-of-use assets (Notes 4 and 12)	4,843	-	8,995	-	Long-term borrowings (Note 15)	250,000	7	350,000	12
Intangible assets (Notes 4 and 13)	980	-	103	-	Deferred income tax liabilities (Notes 4 and 21)	-	-	208	-
Deferred tax assets (Notes 4 and 21)	13,919	1	17,454	1	Lease liabilities -non-current (Notes 4 and 12)	706	-	4,916	-
Other non-current assets (Notes 4, 14 and 17)	<u>83,842</u>	<u>2</u>	<u>2,289</u>	<u>-</u>	Guarantee deposits	<u>6,977</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>871,967</u>	<u>23</u>	<u>813,770</u>	<u>27</u>	Total non-current liabilities	<u>257,683</u>	<u>7</u>	<u>355,124</u>	<u>12</u>
					Total liabilities	<u>1,102,902</u>	<u>29</u>	<u>787,761</u>	<u>26</u>
TOTAL	\$ 3,833,811	100	\$ 2,993,503	100	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 18 and 23)				
					Ordinary shares	781,529	20	781,059	26
					Capital surplus	1,132,749	30	1,131,714	38
					Retained earnings				
					Legal reserve	94,057	3	65,911	2
					Special reserve	4,250	-	2,365	-
					Unappropriated earnings	821,078	21	325,938	11
					Other equity				
					Exchange differences on translating the financial statements of foreign operations	(5,759)	-	(4,250)	-
					Treasury shares	<u>(96,995)</u>	<u>(3)</u>	<u>(96,995)</u>	<u>(3)</u>
					Total equity	<u>2,730,909</u>	<u>71</u>	<u>2,205,742</u>	<u>74</u>
					TOTAL	\$ 3,833,811	100	\$ 2,993,503	100

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

SILICON OPTRONICS, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 19)	\$ 3,996,496	100	\$ 3,328,695	100
OPERATING COSTS (Notes 9, 20 and 26)	<u>2,609,116</u>	<u>65</u>	<u>2,656,485</u>	<u>80</u>
GROSS PROFIT	<u>1,387,380</u>	<u>35</u>	<u>672,210</u>	<u>20</u>
OPERATING EXPENSES (Notes 20 and 26)				
Selling and marketing expenses	21,448	1	18,080	1
General and administrative expenses	75,847	2	45,670	1
Research and development expenses	<u>417,728</u>	<u>10</u>	<u>297,719</u>	<u>9</u>
Total operating expenses	<u>515,023</u>	<u>13</u>	<u>361,469</u>	<u>11</u>
OPERATING INCOME	<u>872,357</u>	<u>22</u>	<u>310,741</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 20)	5,235	-	4,464	-
Other income (Note 20)	152	-	364	-
Other gains and losses (Note 20)	7,463	-	2,175	-
Financial costs (Note 20)	(3,553)	-	(2,708)	-
Share of income (loss) of subsidiaries (Notes 4 and 10)	<u>11,197</u>	<u>1</u>	<u>9,890</u>	<u>1</u>
Total non-operating income and expenses	<u>20,494</u>	<u>1</u>	<u>14,185</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	892,851	23	324,926	10
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(151,801)</u>	<u>(4)</u>	<u>(43,488)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>741,050</u>	<u>19</u>	<u>281,438</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 17)	18	-	19	-
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 18)	<u>(1,509)</u>	<u>-</u>	<u>(1,885)</u>	<u>-</u>
Total other comprehensive (loss) income	<u>(1,491)</u>	<u>-</u>	<u>(1,866)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 739,559</u>	<u>19</u>	<u>\$ 279,572</u>	<u>8</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 9.61</u>		<u>\$ 3.65</u>	
Diluted	<u>\$ 9.53</u>		<u>\$ 3.64</u>	

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

SILICON OPTRONICS, INC.

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

	Ordinary Share Capital		Capital Surplus	Retained Earnings			Other Equity Exchange Differences on Translating the Financial Statements of Foreign Operations	Treasury Shares	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE, JANUARY 1, 2020	78,081	\$ 780,809	\$ 1,131,702	\$ 50,310	\$ -	\$ 216,659	\$ (2,365)	\$ (96,995)	\$ 2,080,120
Appropriation of 2019 earnings									
Legal reserve	-	-	-	15,601	-	(15,601)	-	-	-
Special reserve	-	-	-	-	2,365	(2,365)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(154,212)	-	-	(154,212)
Net profit for the year ended December 31, 2020	-	-	-	-	-	281,438	-	-	281,438
Other comprehensive loss for the year ended December 31, 2020	-	-	-	-	-	19	(1,885)	-	(1,866)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	281,457	(1,885)	-	279,572
Issuance of ordinary shares under employee share options	25	250	12	-	-	-	-	-	262
BALANCE, DECEMBER 31, 2020	78,106	781,059	1,131,714	65,911	2,365	325,938	(4,250)	(96,995)	2,205,742
Appropriation of 2020 earnings									
Legal reserve	-	-	-	28,146	-	(28,146)	-	-	-
Special reserve	-	-	-	-	1,885	(1,885)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(215,897)	-	-	(215,897)
Net profit for the year ended December 31, 2021	-	-	-	-	-	741,050	-	-	741,050
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	18	(1,509)	-	(1,491)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	741,068	(1,509)	-	739,559
Issuance of ordinary shares under employee share options	47	470	1,035	-	-	-	-	-	1,505
BALANCE, DECEMBER 31, 2021	78,153	\$ 781,529	\$ 1,132,749	\$ 94,057	\$ 4,250	\$ 821,078	\$ (5,759)	\$ (96,995)	\$ 2,730,909

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

SILICON OPTRONICS, INC.

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 892,851	\$ 324,926
Adjustments for:		
Depreciation expenses	99,227	85,926
Amortization expenses	2,598	2,750
Finance costs	3,553	2,708
Interest income	(5,235)	(4,464)
Share of loss of subsidiaries	(11,197)	(9,890)
Write-downs of inventories	(19,090)	22,512
Net (gain) loss on foreign currency exchange	531	2,881
Changes in operating assets and liabilities		
Accounts receivable	18,427	(21,686)
Inventories	(648,448)	(15,515)
Prepayments and other current assets	(13,775)	40,336
Contract liabilities	19,371	5,832
Accounts payable	233,802	(6,902)
Accounts payable to related parties	(155,010)	18,213
Other payables to related parties	3,639	1,563
Accrued expenses and other current liabilities	87,157	37,236
Refund liabilities	17,118	-
Net defined benefit liabilities	(35)	(35)
Cash generated from operations	525,484	486,391
Income tax paid	(46,335)	(5,700)
Net cash generated from operating activities	<u>479,149</u>	<u>480,691</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(601,348)	(671,516)
Proceeds from financial assets at amortized cost	821,480	50,012
Payments for property, plant and equipment	(64,385)	(66,739)
Increase in refundable deposits	(82,157)	-
Payments for intangible assets	(3,475)	(2,337)
Interest received	5,235	4,464
Net cash (used in) generated from investing activities	<u>75,350</u>	<u>(686,116)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	350,000
Proceeds of guarantee deposits received	6,977	-
Repayment of the principal portion of lease liabilities	(4,168)	(4,127)
Dividends paid	(215,897)	(154,212)
Exercise of employee share options	1,505	262
Interest paid	(3,553)	(2,708)
Net cash generated from (used in) financing activities	<u>(215,136)</u>	<u>189,215</u>

(Continued)

SILICON OPTRONICS, INC.

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

	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>(231)</u>	\$ <u>110</u>
NET INCREASE IN CASH	339,132	(16,100)
CASH AT THE BEGINNING OF THE YEAR	<u>518,384</u>	<u>534,484</u>
CASH AT THE END OF THE YEAR	<u>\$ 857,516</u>	<u>\$ 518,384</u>

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

Silicon Optronics, Inc.
Earnings Distribution Table
Year 2021

Unit: NT\$

Unappropriated retained earnings of previous years	\$80,010,562
Plus: Net profit for the year	741,049,748
Plus: Retained earnings recognized from remeasurement of defined benefit plans	17,738
Retained earnings available for distribution	821,078,048
Allocation items;	
Provision for legal reserve	(74,106,749)
Provision for special reserve	(1,508,796)
Cash dividend to shareholders	(270,035,150)
Unappropriated Earnings after earnings distribution	\$475,427,353

Note:

1. The cash dividend of NT\$3.5 per share was calculated based on the total number of outstanding shares aggregating at 77,152,900 shares as of March 16, 2022.

Chairman: James He



Manager: James He



Chief Accountant: Steffi Huang



Silicon Optronics, Inc.

Comparison Table for the Articles of Incorporation before and after Amendment

(Attachment VII)

	Articles after Amendment	Articles before Amendment	Reasons for Amendment
Article 4:	<p>The total capital of the Company is set as NT\$1 billion, divided as 100 million shares with a par value of NT\$10 per share. All the shares are issued in installments.</p> <p>Of the total capital referred to in the preceding paragraph, <u>NT\$150 million, or 15 million shares</u>, at NT\$10 per share, shall be reserved for the issuance of employee stock warrants, and the Board of Directors shall be authorized to issue them in installments, which shall be handled in accordance with the Company Act and relevant laws and regulations.</p>	<p>The total capital of the Company is set as NT\$1 billion, divided as 100 million shares with a par value of NT\$10 per share. All the shares are issued in installments.</p> <p>Of the total capital referred to in the preceding paragraph, <u>NT\$60 million, or 6 million shares</u>, at NT\$10 per share, shall be reserved for the issuance of employee stock warrants, and the Board of Directors shall be authorized to issue them in installments, which shall be handled in accordance with the Company Act and relevant laws and regulations.</p>	Amendments are made in accordance with actual needs
Article 8:	<p>Shareholders' meetings of the Company shall be of the following two kinds:</p> <p>I. Regular meeting of shareholders: to be held at least once every year.</p> <p>II. Special meeting of shareholders: to be held when necessary. The regular meeting of shareholders referred to in the preceding Paragraph shall be convened within six months after close of each fiscal year by the Board of Directors.</p> <p><u>Shareholders' meetings of the Company can be held by means of visual communication network or other methods promulgated by the central competent authority, and the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person. In case a shareholders' meeting is proceeded via visual communication network, the preceding two paragraphs shall not apply to a public company; provided that where otherwise</u></p>	<p>Shareholders' meetings of the Company shall be of the following two kinds:</p> <p>I. Regular meeting of shareholders: to be held at least once every year.</p> <p>II. Special meeting of shareholders: to be held when necessary. The regular meeting of shareholders referred to in the preceding Paragraph shall be convened within six months after close of each fiscal year by the Board of Directors.</p>	Amendments are made in accordance with the laws and actual needs

	<u>prescribed by the securities regulatory authority, such provisions shall prevail.</u>		
Article 17:	The Company shall have a board of directors composed of five to nine directors (of which the number of independent directors shall not be less than three and <u>shall not be less than one third of directors</u>), who shall be elected from among the director candidate list by the shareholders' meeting.	The Company shall have a board of directors composed of five to nine directors (of which the number of independent directors shall not be less than three and shall not be less than <u>one fifth</u> of directors), who shall be elected from among the director candidate list by the shareholders' meeting.	Amendments are made in accordance with the laws and actual needs
Article 31:	(omitted) The term "gain profits within a fiscal year" as mentioned in the first paragraph refers to the pre-tax profit of the current year less the profit before the distribution of remuneration to employees and directors. However, in case of the accumulated losses, certain profits shall first be reserved to cover them, and then reserve remuneration to employees and directors in accordance with the proportion mentioned in the preceding paragraph. The distribution of employees' compensation and director's remuneration may be distributed by way of stock or cash and shall be resolved in the meeting of the Board of Directors attended by more than two-thirds of directors of which half of the attended directors shall agree to process as well as approval at the shareholder's meeting. As for the net profit after the annual final account, the Company shall first make up the accumulated losses after paying income tax in accordance with the law, and then deposit 10% of the balance as the legal surplus reserve, but may not do so when the legal surplus reserve exceeds 50% of the total capital. <u>When setting aside the special reserve in accordance with Article 41 of the Securities and Exchange Act, for the insufficient provision for the "net deduction of other equity accumulated in previous period", the same amount of special reserve shall be</u>	(omitted) The term "gain profits within a fiscal year" as mentioned in the first paragraph refers to the pre-tax profit of the current year less the profit before the distribution of remuneration to employees and directors. However, in case of the accumulated losses, certain profits shall first be reserved to cover them, and then reserve remuneration to employees and directors in accordance with the proportion mentioned in the preceding paragraph. The distribution of employees' compensation and director's remuneration may be distributed by way of stock or cash and shall be resolved in the meeting of the Board of Directors attended by more than two-thirds of directors of which half of the attended directors shall agree to process as well as approval at the shareholder's meeting. As for the net profit after the annual final account, the Company shall first make up the accumulated losses after paying income tax in accordance with the law, and then deposit 10% of the balance as the legal surplus reserve, but may not do so when the legal surplus reserve exceeds 50% of the total capital. When necessary, provision or reversal of special reserve shall be made according to law. If there is remaining earnings, the board of directors shall draft a proposal for distribution of such earnings and accumulated undistributed earnings, which	Amendments are made in accordance with the laws and actual needs

	<p><u>set aside from the undistributed earnings of previous period prior to earnings distribution.</u></p> <p><u>If there is still any deficiency, the provision shall be made from the amount of net after-tax profit of the current period plus items other than net after-tax profit of the current period included in the undistributed earnings of the current period.</u> If there is remaining earnings, the board of directors shall draft a proposal for distribution of such earnings and accumulated undistributed earnings, which shall be distributed by resolution of the shareholders' meeting.</p>	<p>shall be distributed by resolution of the shareholders' meeting.</p>	
Article 33:	<p>This Articles of Incorporation was formulated with the consent of all the sponsors on May 18, 2004.</p> <p>The 1st amendment was made on March 30, 2005;</p> <p>The 2nd amendment was made on June 27, 2006.</p> <p>The 3rd amendment was made on June 26, 2007;</p> <p>The 4th amendment was made on June 10, 2008;</p> <p>The 5th amendment was made on June 3, 2009;</p> <p>The 6th amendment was made on June 9, 2010;</p> <p>The 7th amendment was made on May 25, 2012.</p> <p>The 8th amendment was made on June 8, 2016.</p> <p>The 9th amendment was made on June 8, 2017.</p> <p>The 10th amendment was made on June 8, 2018.</p> <p>The 11th amendment was made on June 16, 2020.</p> <p><u>The 12th amendment was made on June 23, 2022</u></p>	<p>This Articles of Incorporation was formulated with the consent of all the sponsors on May 18, 2004.</p> <p>The 1st amendment was made on March 30, 2005;</p> <p>The 2nd amendment was made on June 27, 2006.</p> <p>The 3rd amendment was made on June 26, 2007;</p> <p>The 4th amendment was made on June 10, 2008;</p> <p>The 5th amendment was made on June 3, 2009;</p> <p>The 6th amendment was made on June 9, 2010;</p> <p>The 7th amendment was made on May 25, 2012.</p> <p>The 8th amendment was made on June 8, 2016.</p> <p>The 9th amendment was made on June 8, 2017.</p> <p>The 10th amendment was made on June 8, 2018.</p> <p>The 11th amendment was made on June 16, 2020.</p>	<p>Add the amendment date</p>

Silicon Optronics, Inc.

Comparison Table for the Procedures for Acquisition or Disposal of Assets Before and After
Amendment (Attachment VIII)

Articles	Articles after Amendment	Articles before Amendment	Reasons for Amendment
Article 4:	<p>Operational Procedures for Acquisition and Disposal of Securities Investments:</p> <p>I. (omitted)</p> <p>II. Decision-making procedure: (I)~(II): (omitted)</p> <p>(III) The Company carrying out securities transactions or transactions of a private placement of securities not through a centralized securities exchange or over-the-counter market shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, with the approval by the board of directors. And if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). The calculation of the transaction amounts shall be done in accordance with Article 10, paragraph 1, subparagraph 5 herein, and "within the preceding</p>	<p>Operational Procedures for Acquisition and Disposal of Securities Investments:</p> <p>I. (omitted)</p> <p>II. Decision-making procedure: (I)~(II): (omitted)</p> <p>(III) The Company carrying out securities transactions or transactions of a private placement of securities not through a centralized securities exchange or over-the-counter market shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, with the approval by the board of directors. And if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If a CPA needs to issue an expert report, he/she shall comply with the provisions of the Statements of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation, and submit the report according to the amount and the authority. This requirement does not apply, however, to publicly quoted</p>	<p>Amendments are made in accordance with the laws and actual needs</p>

	<p>year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. (The following paragraphs are omitted)</p> <p>IV. Obtain experts' opinions: When acquiring or disposing of securities falling under any of the following circumstances, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price: (I) Acquiring or disposing of securities that are not trading on securities exchanges or OTC markets. (II) Acquiring or disposing of privately placed securities.</p>	<p>prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). The calculation of the transaction amounts shall be done in accordance with Article 10, paragraph 1, subparagraph 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. (The following paragraphs are omitted)</p> <p>III. Obtain experts' opinions: When acquiring or disposing of securities falling under any of the following circumstances, and if the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price <u>in accordance with the Statements of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation</u>: (I) Acquiring or disposing of securities that are not trading on securities exchanges or OTC markets. (II) Acquiring or disposing of privately placed securities.</p>	
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<p>Article 5:</p>	<p>I~(III): (omitted)</p> <p>IV. Appraisal report and a CPA's opinion on real property, equipment, right-of-use assets or other fixed assets:</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I)~(II): (omitted)</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (The following paragraphs are omitted)</p>	<p>I~(III): (omitted)</p> <p>IV. Appraisal report and a CPA's opinion on real property, equipment, right-of-use assets or other fixed assets:</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I)~(II): (omitted)</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to conduct in accordance with the Statements of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation (hereinafter referred to as "The Foundation"), and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (The following paragraphs are omitted)</p>	<p>Amendments are made in accordance with the laws and actual needs</p>
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<p>Article 6:</p>	<p>II. Evaluation and operating procedure: (omitted) (VII) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts shall be done in accordance with Article 10, paragraph 1, subparagraph 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved and recognized by the <u>shareholders' meeting</u>, audit committee and the board of directors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When the preceding paragraph is submitted for discussion by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 2 and the transaction amount will reach 10 percent or more of the public company's total assets, the Company shall submit the</u></p>	<p>II. Evaluation and operating procedure: (omitted) (VIII) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts shall be done in accordance with Article 10, paragraph 1, subparagraph 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved and recognized by the audit committee and the board of directors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When the preceding paragraph is submitted for discussion by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>Amendments are made in accordance with the laws and actual needs</p>
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	<p><u>materials in all the subparagraphs of paragraph 2 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</u></p>		
<p>Article 7:</p>	<p>I. (omitted)</p> <p>II. Evaluation of the reasonableness of the transaction costs: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The calculation of the transaction amounts shall be done in accordance with Article 10, paragraph 1, subparagraph 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>I. (omitted)</p> <p>II. Evaluation of the reasonableness of the transaction costs: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. A CPA shall conduct in accordance with the Statements of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. The calculation of the transaction amounts shall be done in accordance with Article 10, paragraph 1, subparagraph 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>Amendments are made in accordance with the laws and actual needs</p>

<p>Article 10</p>	<p>I. Items for public announcement and regulatory filing and the procedures: (I)~(V): (omitted) (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u> 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</u> 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 	<p>I. Items for public announcement and regulatory filing and the procedures: (I)~(V): (omitted) (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 	<p>Amendments are made in accordance with the laws and actual needs</p>
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The Prohibition on Managers from Participation in Competitive Business

Director name	The release participation in items and position(Before update)	The release participation in items and position(After update)
Director: Heritage Bay Limited Representative : James He	Chairman, Nueva Imaging Inc. Chairman, Silicon Optronics Holding (Cayman) Co., Ltd. Director, Heritage Bay Limited	Chairman, Nueva Imaging Inc. Chairman, Silicon Optronics Holding (Cayman) Co., Ltd. Director, Heritage Bay Limited
Director: Heritage Bay Limited Representative : Sophie Cheng	Chairman, Optigate Inc. Director and General Manager, Deutron Electronics Corp. Supervisor, BioGate Precision Medicine Corp. Director, AI Medical Technology Corp. Director, Teknowledge Development Corp. Director, Syntronix Corp. Director, AI Memory Corp. Director, PowerGate Optical Inc. Director, Retronix Technology Inc. Director, BeautiMode Corp. Director, TrendForce Corp. Supervisor, Fullerton Technology Co., Ltd. Director, ATBS Technology Co., Ltd. Director, Nexchip Co., Ltd. Member of a council Taipei Computer Association Member of a council Taiwan IOT	Chairman, Optigate Inc. Chairman, Powerchip Micro Device Corporation Director and General Manager, Deutron Electronics Corp. Director, Teknowledge Development Corp. Director, Syntronix Corp. Supervisor, BioGate Precision Medicine Corp. Director, AI Memory Corp. Director, Fushuo Investment Corp. Director, Retronix Technology Inc. Director, BeautiMode Corp. Director, TrendForce Corp. Director, ATBS Technology Co., Ltd. Director, Nexchip Co., Ltd. Member of a council Taipei Computer Association Member of a council Taiwan IOT
JJ Lin	Independent Director and Member of the Remuneration Committee, M31 Technology Corporation Legal representative of the director, SG BIOMEDICAL Corporation Director, STEK Co., Ltd Director, Tsing Hua Fund Chairman, TEMIC Co., Ltd. Director, TAIFLEX Scientific Co., Ltd. Director, Tsing Hua Entrepreneur Network Director, Capital TEN Inc. Director, Pentapro Materials Inc.	Independent Director and Member of the Remuneration Committee, M31 Technology Corporation Director, STEK Co., Ltd Director, Tsing Hua Fund Chairman, TEMIC Co., Ltd. Director, TAIFLEX Scientific Co., Ltd. Director, Tsing Hua Entrepreneur Network Director, Capital TEN Inc. Director, Pentapro Materials Inc.

Director name	The release participation in items and position(Before update)	The release participation in items and position(After update)
Jim Lai	<p>Independent Director ∙ Member of the Audit Committee and Member of the Remuneration Committee, Truelight Corporation Consultant, GUC Consultant, Digitimes Director, giga-solution Corp.- Legal representative of the Ardentec Corp. Director, Wolley Inc. Director, Megachips Corp. Member of the Remuneration Committee, FocalTech Systems Co., Ltd.</p>	<p>Independent Director ∙ Member of the Audit Committee and Member of the Remuneration Committee, Truelight Corporation Consultant, GUC Consultant, Digitimes Consultant, M31 Technology Corporation Director, giga-solution Corp.- Legal representative of the Ardentec Corp. Director, Wolley Inc. Member of the Remuneration Committee, FocalTech Systems Co., Ltd. Independent Director ∙ Member of the Audit Committee and Member of the Remuneration Committee, Andes Technology Corporation</p>
Chang-Chou Li	<p>Chih-Cheng CPA Firm CPA Partner, Independent Director ∙ Member of the Audit Committee and Member of the Remuneration Committee, Evergreen Marine Corporation Independent Director and Member of the Audit Committee, Hotai Insurance Co., Ltd. Independent Director ∙ Member of the Audit Committee and Member of the Remuneration Committee, St. Shine Optical Co., Ltd.</p>	<p>Chih-Cheng CPA Firm CPA Partner, Independent Director ∙ Member of the Audit Committee and Member of the Remuneration Committee, Evergreen Marine Corporation Independent Director and Member of the Audit Committee, Hotai Insurance Co., Ltd. Independent Director ∙ Member of the Audit Committee and Member of the Remuneration Committee, St. Shine Optical Co., Ltd.</p>

Articles of Incorporation of Silicon Optronics, Inc.

Chapter 1 General Provisions

- Article 1: The company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 晶相光電股份有限公司 in Chinese language, and Silicon Optronics, Inc. in the English language.
- Article 2: The scope of business of the Company shall be as follows:
- I. CC01080 Electronic Parts and Components Manufacturing.
 - II. F401010 International Trade.
 - III. I501010 Product Design.
 1. Researching, developing, designing, manufacturing and selling of the following:
 - (1) CMOS image sensor and modules.
 - (2) Image sensing single chip and modules.
 - (3) Organization integration of products and modules.
 2. Any trade business associated with the aforementioned products.)
- Article 3: The company shall have its head office in Hsinchu Science Park, Taiwan, Republic of China, and upon approval of Board of Directors, to set up representative and branches office at various location within and without the territory of the Republic of China, wherever and whenever the Company deems it necessary.
- Article 3-1: The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-up capital as provided in Article 13 of the Company Law. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.
- Article 3-2: The Company may provide endorsement and guarantee and act as a guarantor.
- Article 3-3: Public announcements of The Company's shall be made in accordance with Article 28 of the Company Law.

Chapter 2 Capital Stock

- Article 4: The total capital stock of the Company shall be in the amount of 1,000,000,000 New Taiwan Dollars, divided into 100,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up installments.
- The total capital amount of 60,000,000 New Taiwan Dollars, in the preceding paragraph shall be reserved for issuance of employee stock options, totaling 6,000,000 shares at ten New Taiwan Dollars each, which may be issued in installments by authorizing the Board of Directors and subject to the provisions of the Company Law and relevant laws and regulations.
- Article 5: The Company may issue shares without printing share certificate(s), however the shares shall be registered or kept by the securities depository institution. The same applies to other securities.
- Article 6: All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the Company Law and relevant laws and regulations unless specified otherwise by law and securities regulations.
- Article 7: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

- Article 8: Shareholders' meetings of the Company are of two types, namely:
- I. Regular meetings, which shall be convened at least once a year.
 - II. Special shareholders' meeting, which shall be convened when necessary.
- Regular meetings shall be convened, by the Board of Directors, within six (6) months after

the close of each fiscal year.

- Article 9: Written notices shall be sent to all shareholders (except owing less than 1,000 shares) at their latest places of residence as registered with the Company for the convening of shareholders' meetings, at least thirty (30) days in advance, in case of regular meetings; and at least fifteen (15) days in advance, in case of special meetings. The purpose(s) for convening any such meeting shall be clearly stated in the written notices sent out to the shareholders. For a shareholder owing less than 1,000 of the total registered shares, the Meeting Notice shall be conducted by means of public announcement.
- Article 10: When the Company holds the Regular meetings of Shareholders, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The procedures shall be conducted in accordance with the Company Act and relevant laws and regulations.
- Article 11: If the shareholders' meeting is convened by the Board of Directors, the meeting shall be presided over by the Chairman. If for any reason the Chairman is unable to preside over the meeting, the Chairman of the Board shall designate one of the Directors to act on his/her behalf. If the Chairman of the Board does not designate a Director to act on his/her behalf, the Directors shall elect one person among themselves to preside over the meeting.
- Article 12: If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a representative to attend on his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy
- Article 13: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.. A shareholder exercising voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person, and relevant matters shall be handled in accordance with the laws and regulations.
- Article 14: Each share is entitled to one voting right, except shares whose voting rights are restricted by law or shares have no voting rights in accordance with Laws of Republic of China.
- Article 15: When the company voluntarily terminates trading of its shares on Taiwan Stock Exchange and withdraws the public issuance of its shares, a special resolution shall be adopted by the shareholders' meeting.
- Article 16: The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. The minutes specified above shall be distributed in accordance with the provisions of the Company Art.

Chapter 4 Directors

- Article 17: The Company shall have 5 to 9 directors, and the number of independent directors shall not be less than 3 and not be less than one-fifth of the total director seats. The Directors shall be elected among competent candidates by the Shareholders' Meeting.
The Company's Directors shall be elected by adopting the Candidate Nomination System and the nomination method shall be in accordance with Article 192-1 of the Company Art.
The total number of shares held by all directors shall be processed in accordance with the relevant laws and regulations of the competent authority.
The Company has instituted the Audit Committee. The Audit Committee was made up by all independent directors of the Company., which shall exercise the functions and powers of supervisors, according to the Company Art, the Securities and Exchange Act, and other regulations. The responsibilities, organizational rules, exercise of functional authority, and other matters that should be complied with of the Audit Committee shall be conducted in accordance with the relevant regulations of the securities competent authority and the Company.

- Article 18: The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election.
- Article 19: The directors shall organize the Board of Directors. The responsibilities of the Board of Directors are as follows:
- I. Preparing business plans.
 - II. Proposing earnings distributions or loss off-setting proposals.
 - III. Proposing plans for increasing or decreasing capital.
 - IV. Drawing up important rules and regulations.
 - V. Appointing or discharging the Company's President and Vice Presidents.
 - VI. Setting up or dissolving branches.
 - VII. Preparing budget reports and final financial statements.
 - VIII. Performing other duties authorized by Art.
- Article 20: The chairman of the Board shall be elected by and among the directors with more than half of the directors at a meeting attended by more than two thirds of directors. The Chairman of the Board of Directors shall externally represent the Company.
- Article 21: Except as otherwise provided in the Company Art of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting.
- Article 22: The meeting of the board of directors shall be convened by the chairman of the board of directors, except that the first meeting of the board of directors shall be convened by the director who receives the largest number of votes within 15 days after the re-election. In calling the meeting of the board of directors, a notice with meeting date, address, and agenda shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of urgent matters, the meeting may be called at any time. The notice set forth in the preceding Paragraph may be served in writing, by email or fax.
- Article 23: The Board meeting shall be recorded in meeting minutes, according to the Company Art and relevant laws and regulations. The meeting minutes shall be publicly announced, distributed, and retained.
- Article 24: The Chairman shall preside over the meetings of the Board of Directors. In case the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a deputy shall be either appointed by the Chairman or elected by the Directors. Each director shall attend the meeting of the Board of Directors in person. If a Director cannot attend the meeting of the Board of Directors, he or she may appoint another director to attend the meeting in his/her behalf. A director may accept the appointment to act as the proxy of one other director only.
- When holding the Board Meeting, any director attending the meeting via video conference shall be deemed attending the meeting in person.
- Article 25: In the case that vacancies on the Board of Directors exceed, for any reason, one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.
- Article 26: The Company may purchase liability insurance for its directors with respect to liabilities resulting from exercising their duties during their terms of directorship.
- Article 27: The chairman and the directors of the Board is authorized to determine the remuneration of directors in accordance with director's participation in the Company's business operation and contribution value, and by referring to the level commonly adopted by the peer group.
- Article 28: The Company may appoint manager(s). The appointment, discharge, and compensation of the manager(s) may be conducted in accordance to the Company Art.

Chapter 5 Finance Report

- Article 29: The Company's fiscal year shall be from January 1st to December 31st of the same year. The

Company shall conduct account closing at the close of each fiscal year.

Article 30: At the close of each fiscal year, the Board of Directors shall prepare the following statements to the general meeting of shareholders for its ratification in accordance with Article 228 of the Company Art.

1. Business Report.

2. Financial Statements.

3. The earnings distributions or loss off-setting proposals.

Considering that the Company is in the operating growth period, the policy for dividend distribution should reflect factors such as the current and future fund requirements and long-term financial planning., the dividends distribution shall not be more than 90% of the accumulated distributable surplus, and the cash dividends shall not be less than 10% of the distributed dividends. If the Company has no surplus to be distributed in the current year, or if there is surplus but the surplus amount is much lower than the actual surplus distributed in the previous year, or considering on the Company's financial, business and operating factors, the Company may distribute all or part of its reserve in accordance with laws or regulations of the competent authority.

Article 31: The Company shall set aside not more than 0.3% of its annual profits as compensation to its directors and not less than 0.005% but no more than 25% as profit sharing bonuses to its employees, including employees of an affiliated company meeting the conditions set by the Company.

When allocating the earnings for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled 50% of total capital of the Corporation; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Employees' profit sharing bonuses and the compensation to its directors are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting

After this Company has set aside the capital reserves pursuant to the first and second Paragraphs of this Article, the balance left over and its reserves shall be allocated according to the conditions set by the Board of Directors and the resolution of the shareholders' meeting.

Chapter 6 Supplementary Provisions

Article 32: In regard to all matters not provided for in these Articles of Incorporation, the Company Art of the Republic of China shall govern.

Article 33: The Articles of Incorporation are agreed to and signed on May 18, 2004.

The first Amendment was approved by the shareholders' meeting on March 30, 2005

The second Amendment was approved by the shareholders' meeting on June 27, 2006

The third Amendment was approved by the shareholders' meeting on June 26, 2007

The fourth Amendment was approved by the shareholders' meeting on June 10, 2008

The fifth Amendment was approved by the shareholders' meeting on June 3, 2009.

The sixth Amendment was approved by the shareholders' meeting on June 9, 2010

The seventh Amendment was approved by the shareholders' meeting on May 25, 2012

The eighth Amendment was approved by the shareholders' meeting on June 8, 2016.

The ninth Amendment was approved by the shareholders' meeting on June 8, 2017.

The tenth Amendment was approved by the shareholders' meeting on June 8, 2018.

The eleventh Amendment was approved by the shareholders' meeting on June 16, 2020.

Silicon Optronics, Inc.

Rules and Procedure of Shareholders' Meeting

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 182-1 of the Company Act and Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by the 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 an extraordinary 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 addressees, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, 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 under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers 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; its main content can be placed on the website designated by the competent securities authority or the Company; such a website shall be stated in the notice.

Where re-election of all directors and independent 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. 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. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article

172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting 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: 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, 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: 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: 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 or their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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 or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

When a managing director or director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same requirements shall apply if the chairman for the meeting is a director representative of a juristic person.

It is advisable that shareholders' meeting convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman 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: 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 of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9: Attendance at shareholders' meeting 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 and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extraordinary motions and amendments to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting.

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

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

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chair.

An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of shareholder's speech and those recorded on the slip, the contents of shareholder's speech 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 at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the chair and such speaking shareholder; the chairperson shall stop any such violations.

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

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

Article 12: Voting at a shareholders' meeting shall be calculated based the number of shares.

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

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of 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 Article 179, paragraph 2 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 special motions and revisions to the original proposals of that meeting; it is therefore advisable that the Company shall avoid submission of special motions and revision to the 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 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in 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: 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, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept appropriately for a period of 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: 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: 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 Taipei Exchange Market regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

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

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

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19: These Rules shall take effect after having been adopted by the board of directors, and submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 20: These Rules were formulated on May 10, 2006.

The 1st amendment was made on May 25, 2012.

The 2nd amendment was made on June 11, 2013.

The 3rd amendment was made on June 12, 2017.

The 4th amendment was made on June 16, 2020.

The 5th amendment was made on July 1, 2021.

Silicon Optronics, Inc.
Shareholdings of All Directors

Position	Name	Number of Shares Held	% of Total Shares Issued
Chairman	Heritage Bay Limited Representative: James He	17,691,413	22.63
Director	Heritage Bay Limited Representative: Sophie Cheng		
Independent Director	Jim Lai	–	–
Independent Director	JJ Lin	–	–
Independent Director	Chang-Chou Li	–	–
Shareholdings of All Directors		17,691,413	22.63

Note:

1. Total shares issued as of April 25, 2022: 78,168,900 shares.
2. Under the relevant regulations of the ROC, SOI's Directors are required to hold in the aggregate not less than 6,253,512 shares.