

Stock Code: 6243



**2022 Annual Shareholders' Meeting**

**June 9<sup>th</sup>, 2022**

ASIP Meeting Room No. 202

(No. 2, Prosperity Rd I, Hsinchu Science Park, Hsinchu, Taiwan)

**ENE TECHNOLOGY INC.**  
**2022 Annual Shareholders' Meeting Minutes**

**Time:** 9:00 a.m., June 9<sup>th</sup>, 2022

**Place:** ASIP Meeting Room No. 202 (No. 2, Prosperity Rd I, Hsinchu Science Park, Hsinchu, Taiwan).

**Attending share numbers:** 23,673,979 shares (including e-voting of 419,549 shares), 52.25% of total issued shares 45,302,841.

**Attending BOD member:** Jason Weng, Dylan Chung, Wen Huai Tsai

**Attending Independent Directors:** Yi Fong Lin

**Attending CPA and Lawyer:** Chien Hui Lu and Tai Wei Chou

**Chairman:** Jason Weng

**Record:** Mei Yung Wu

**Call Meeting to Order:** by Chairman

**Chairman's Address:** Omitted

## **Report Items**

1. 2021 Business report (Attachment I)
2. 2022 Audit Committee's review reports on 2021 Financial Statements (Attachment II)
3. Updates on Capital reduction (Attachment III)
4. Updates on 2021 private placement (Attachment VI)
5. 2021 Remunerations for employees and directors
  1. The proposal is handled in accordance with Article 32 of the Articles of Association of the Company
  2. It is proposed to allocate no less than 20% of the pre-tax benefits (NT\$14,807,511) as employee compensation for the year 2021
  3. It is proposed to allocate no more than 3% of the pre-tax benefits (NT\$2,221,127) as the directors' remuneration for the year 2021
  4. The above mentioned cash allotments are not different from the estimated amount of recognized expenses in 2021
  5. The above mentioned remuneration proposals have been approved by the Remuneration Committee and BOD.

## **Acknowledgements**

### **1. To adopt 2021 Business Report and Financial Statements**

Explanatory Notes:

- a. ENE TECHNOLOGY INC 2020 Financial Statements, individual and consolidated, have been approved by the Board of Directors on 10<sup>th</sup> of March, 2022. The reports were audited by Mei-Yu Tseng and Chien-Hui Lu of KPMG and sent to the Audit Committee for final review.
- b. 2021 Business Report, Financial Statements and Independent Auditors Report are attached hereto as Attachment I & V.

Voting by Poll: Approved as proposed

### **2. To approve the Proposal for 2021 Profit Appropriation**

Explanatory Notes:

- a. Proposal for 2021 Profit Appropriation has been approved by the Board of Directors on March 10<sup>th</sup>, 2022.
- b. The net profit after tax was NT\$60,307,426, and the distributable surplus was NT\$54,061,687. After adding up the NT\$9 loss from previous unrecoverable losses deducting the loss from capital reduction, 2021 distributable surplus is NT\$54,061,678. The dividends to be distributed to shareholders are NT\$44,322,841, (NT\$1 per share). All the cash will be distributed.
- c. If the company needs to revise the dividend ratio due to changes in the number of outstanding shares, the chairman of the board is authorized to handle the matters within the scope of the above-mentioned distribution amount.
- d. The cash dividends are calculated up to dollar unit, fractional payments less than NT\$1 shall be located into the company's other income.
- e. The chairman is authorized to decide the dividend record date and related matters
- f. Table of Profit Appropriation is attached hereto as Attachment VI.

Voting by Poll: Approved as proposed

## **Discussion Items**

### **1. Amendments for Articles of Incorporations**

Explanatory Notes:

1. In accordance with the provisions of Article 172-2, paragraph 1 of the Company Law, the Articles of Incorporations shall stipulate that the shareholders' meeting may be held by video or other methods announced by the Ministry of Economic Affairs. The document shall stipulate the BOD may appoint a vice-chairman when necessary.
2. Please refer to Attachment VII for Comparison Table

Voting by Poll: Approved as proposed

### **2. Proposal to distribute cash dividends from legal reserve**

Explanatory Notes:

1. In accordance with Article 241 of the Company Act, the company will distribute cash NT\$8,864,569 from the capital reserve (the premium of ordinary shares issued over the par value). The company plans to distribute NT\$0.2 per share.
2. If the company needs to revise the dividend ratio due to changes in the number of outstanding shares, the chairman of the board is authorized to handle the matters within the scope of the above-mentioned distribution amount.
3. The cash dividends are calculated up to dollar unit, fractional payments less than NT\$1 shall be located into the company's other income.
4. The chairman is authorized to decide the dividend record date and related matters
5. The proposal has been approved by the Remuneration Committee and the BOD.

Voting by Poll: Approved as proposed

## Election Items

### 1. Proposal for election of the new board of directors

Explanatory Notes:

1. The tenure of the 8th BOD will expire on June 12, 2022. a comprehensive re-election will be carried out in advance with the holding of the ordinary shareholders' meeting.
2. According to the Articles of Incorporation, seven directors shall be elected (including three independent directors), new directors will take office immediately after election, and original directors will be dismissed immediately. The term of office is three years, from June 9<sup>th</sup>, 2022 to June 8<sup>th</sup>, 2025.
3. According to the Articles of Incorporations, the election of directors shall adopt the candidate nomination system, and shareholders shall select and appoint from the list of director candidates. Please refer to Attachment VIII.
4. The independent director candidate, Mr. Yi-Fong Lin has served as the independent director for more than three terms. Considering his familiarity with relevant laws and corporate governance expertise, which is of obvious benefit to the company, Mr. Yi-Fong Lin is still listed as an independent director nominee this time.

Election Result:

| Identity                | ID          | Name  | Elected Shares |
|-------------------------|-------------|---|----------------|
| Director                | 99998       | Alcor Micro Corp. Representative<br>Dylan Chung | 27,690,928     |
| Director                | 99998       | Alcor Micro Corp. Representative<br>D.S Chen    | 17,868,834     |
| Director                | 16575       | Siguard   | 17,866,972     |
| Director                | 16572       | Asustek   | 17,858,974     |
| Independent<br>Director | J1204xxxxxx | Wen Jih Cheng                                   | 17,852,647     |
| Independent<br>Director | V1010xxxxxx | Yi Fong Lin                                     | 17,846,789     |
| Independent<br>Director | E1209xxxxxx | Chi Ming Wu                                     | 17,843,689     |

**Other items**

1. Release new BOD from non-competition clauses

**Explanatory Notes:**

1. According to the provisions of Article 209 of the Company Law, "A director shall act for himself or others within the scope of the company's business, and shall explain the important contents of his act to the shareholders' meeting and obtain its permission."
2. In view of the fact that the new directors of the company and their representatives may act as directors of companies with the same or similar business scope at the same time, for the needs of operating strategies, without affecting the normal business of the company and prejudice to the interests of the company, it is proposed to release the new BOD members from the non-competition clauses.

Voting by Poll: Approved as proposed. Please see Chinese version for details

**Extemporary Motions****Meeting Adjourned**

**Attachments**

## Attachment I Business Report of 2021

### ENE TECHNOLOGY INC

#### Business Report of 2021

#### A. Operation and Financial Performance

For fiscal year 2021, total revenue comes to NT\$826,802 thousands, an increase of 29.90% (NT\$190,289 thousands) over NT\$636,513 thousands in 2020. Year 2021 Gross margin is 31.7%, higher than 22.9% of 2020.

Total operation expense in 2021 is NT\$196,485 thousands, an increase of NT\$24,993 thousands over NT\$171,492 thousands in 2020. The increase of operation expenses is due to allocation of profits to employees and BOD compensations.

Net profit is NT\$65,861 thousands, comparing to the net loss of NT\$25,572 thousands in Year 2020. Other expenses is NT\$8,852 thousands. It is mainly due to foreign exchange loss. Net profit before income tax is NT\$57,009 thousands in comparison to net loss before income tax NT\$61,358 thousands in 2020.

#### B. Budget versus Actuals

The Company did not announce financial forecast of 2021. However, the actual performance of 2021 is better than our original expectation.

#### C. Analysis on Profitability

| Item                           | Consolidated |         | Independent |         |
|--------------------------------|--------------|---------|-------------|---------|
|                                | 2021         | 2020    | 2021        | 2020    |
| Return on Assets (%)           | 6.40%        | -6.66%  | 6.42%       | -6.68%  |
| Return on Equity (%)           | 10.10%       | -13.03% | 10.10%      | -13.03% |
| Return on Capital Employed (%) | 12.86%       | -8.18%  | 12.86%      | -8.18%  |
| Net income to sales            | 7.29%        | -9.64%  | 7.31%       | -9.65%  |
| Earnings per Share             | 1.60         | (1.69)  | 1.60        | (1.69)  |

#### D. Status on Research and Development

The focus of 2021 is on improving product performance and production yield. We have been making constant communication with customers to obtain the most updated specifications and successfully proceed to mass production. The strategic focus is to

develop broader product offerings.

#### **E. Key Planning of 2022**

1. Strategic focus: For Mobile computer products- continuous R&D on EC and related applications for the NB, and further expand the NB customer bases. For Consumer and Peripheral products- continuous developing new products and explore niche applications to strengthen the collaboration with major customers.
2. Operational target: annual revenue growth target is set at least 5%.
3. Major logistic policy: To obtain sufficient wafer capacity is the prime operational goal as global OEMs are fully packed.

#### **F. Future development strategy**

The Company is continuously searching ways to improve its operation. In second half of 2021, the Company has introduced a strategic partner, Alcor Micro, to further strengthen its finance and operation. NB will still be the mainframe of our product strategy but with extra emphasis to increase the penetration rate. In addition, the Company is continuously working on shortening the product development schedule, improving the product quality and after sale services. Supply chain relationship has become one of the strategic emphasis. The goal is to build a stable and in-depth relationship with the supplier to obtain manufacturing capacity.

#### **G. Impact of external competition, legislations and macro economics**

Electronic industry and technology development change rapidly nowadays. ENE not only keeps close eyes on the industry trends but also emphasizes on strengthening the R&D capability. The Company works closely with customers, plans products and fabricates mid to long term strategies.

ENE Technology has persistently improving the internal workflow as well as adjusting the operation hoshin. The Company also introduced Alcro Micro as our latest strategic partner. These efforts has gradually lead the Company into the positive direction with desirable outlook. The global pandemic, COVID-19 has brought many changes to people's life, in particular in education and work. As a result, dependence on personal computing devices such as NBs in particular is increasingly explicit. The Company is very optimistic towards the coming year and is aggressively preparing for growth.

ENE TECHNOLOGY INC  
Board of Directors

## Attachment II Audit Committee's Review Report

### ENE TECHNOLOGY INC Audit Committee's Review Report

The Board of Directors has prepared the Financial Statements and Consolidated Statements of 2021. The CPA firm of KPMG was retained to audit ENE Technology Inc.'s financial statements. CPA Mei-Yu Tseng and CPA Chien-Hui Lu of KPMG have reviewed and audited the above said financial statements and issued an audit report relating to the financial statements. The Committee has reviewed the above said financial statements, consolidated statements, business report and appropriation of loss statement and found no negligence. In pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

ENE TECHNOLOGY INC.

Chairman of the Audit Committee:



2021. March. 10th

## Attachment III Execution of Business Improvements Plan

### 1. Abstract of Business Improvement Plan

Since 2020, the global economy has slowed down due to the impact of the COVID-19 pandemic. The pandemic has led to the online learning and work from home demand. As a result, personal computer devices were in strong demand and drove the rapid growth of the semiconductor industry. Taiwan as the major semiconductor manufacturing location, it is obvious that semiconductor related companies are increasingly important in the global market. According to the World Semiconductor Trade Statistics (WSTS), 2020 semiconductor market has grown to USD\$433.1 billion, 5.1% growth from 2019. For 2021, 5G infrastructure and related applications, AI, IoT and cloud servers have triggered technological advancements, and semiconductor industry shall play an important role in the future as electronic devices shall be developed towards high AI. It is estimated that 2021 total market value of semiconduction shall reach US\$469.4 billion.

In view of the recent market environment, the future operation improvement plan and implementation control measures are as follows:

#### A. Sales strategy

1. Adjust the unit price for all products
2. Increase customer penetration
3. Enforce and adjust the sales mix
4. Develop new customers to decrease risks

#### B. Technical development

1. Expend the applications of the current products
2. Fortify core technology to provide competitive solutions
3. Continuously improve quality to increase customer cohesiveness

#### C. Vertical consolidation

1. Work closely with foundry to ensure stable supply of raw materials
2. Maintain friendly partnership with all vendors
3. Improve supply chain management to increase quality and decrease cost

#### D. Managerial hoshin

1. To strengthen financial structure, effective fund utilization and endeavor to decrease cost
2. Improve organizational well being to increase organizational effectiveness

### 2. 2021 results

Unit: NT\$ k

|                               | 2021    | 2020     | Difference | %       |
|-------------------------------|---------|----------|------------|---------|
| Operating income              | 826,802 | 636,513  | 190,289    | 29.90   |
| Operational Gross margin      | 262,346 | 145,920  | 116,426    | 79.79   |
| Operational Net profit (loss) | 65,861  | (25,572) | 91,068     | -356.12 |
| EBITA (loss)                  | 57,009  | (61,358) | 118,367    | -192.91 |
| Net profit (loss)             | 60,307  | (61,358) | 121,665    | -198.29 |

1. Operating income is increased by 29.9% is mainly due to the surging stay-at-home economy as a result of US-China trade wars and COVID-19 pandemic.

2. Although our vendors have increased the prices, the Company is able to adjust product mix and output to increase the overall gross margin.
3. Operational net profit: Although the company has allocated employee bonus and BOD remunerations, the operational net profit is increased by NT\$91,068 thousands due to cost control.
4. For the future, the company shall maintain friendly partnerships with current customers as well as expanding partnership with other NB OEM/ODMs to develop various NB, gaming related and home appliances products.

## Attachment IV Private placement Execution Updates

### 2021 Private Placement Execution Updates

| Item  | 2021 1 <sup>st</sup> Private Placement<br>Date of Issuance: 2021.11.18 <sup>th</sup>  |                           |                          |                         |                                      | 2021 2 <sup>nd</sup> Private Placement<br>Date of Issuance: 2021.11.18 <sup>th</sup>  |                           |                          |                         |                                      |
|---|---|---------------------------|--------------------------|-------------------------|--------------------------------------|---|---------------------------|--------------------------|-------------------------|--------------------------------------|
| Date and No. of Shares Approved by Shareholders' Meeting  | 2021. 8. 3 <sup>rd</sup><br>Ordinary Shares: 5,000,000 shares   |                           |                          |                         |                                      | 2021. 8. 3 <sup>rd</sup><br>Ordinary Shares: 3,000,000 shares   |                           |                          |                         |                                      |
| Pricing basis of private placement and its reasonableness | <p>The reference price of private placement should not be lower than 80% of the higher price calculated based on the following two benchmarks before the price determination date. The actual price determination date and the actual price are to be set by BOD later on following discussions with the specific parties and the market conditions at the time.</p> <ol style="list-style-type: none"> <li>The simple average closing price of the common shares for either the 1,3 or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.</li> <li>The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.</li> </ol> <p>The above said pricing method is complied with the regulations, thus the final pricing of private placement is deemed reasonable.</p> |                           |                          |                         |                                      | <p>The reference price of private placement should not be lower than 80% of the higher price calculated based on the following two benchmarks before the price determination date. The actual price determination date and the actual price are to be set by BOD later on following discussions with the specific parties and the market conditions at the time.</p> <ol style="list-style-type: none"> <li>The simple average closing price of the common shares for either the 1,3 or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.</li> <li>The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.</li> </ol> <p>The above said pricing method is complied with the regulations, thus the final pricing of private placement is deemed reasonable.</p> |                           |                          |                         |                                      |
| Selection of Private Placement Candidate                  | <p>The Company follows the rules set in article 43-6 of the Securities and Exchange Act and Executive order 0910003455 of FSC when selecting candidates for the private placement.</p> <p>The Company selects Alcor Micro as the candidate for private placement based on strategic considerations.</p>   |                           |                          |                         |                                      | <p>The Company follows the rules set in article 43-6 of the Securities and Exchange Act and Executive order 0910003455 of FSC when selecting candidates for the private placement.</p> <p>The Company selects Alcor Micro as the candidate for private placement based on strategic considerations.</p>   |                           |                          |                         |                                      |
| Reasons for conducting private placement                  | <ol style="list-style-type: none"> <li>In terms of the effectiveness, feasibility and issuance cost, private placement is more appropriate than the public offering in considering the current market. The 3-year lockup restriction of private placement shall reinforce the long term partnership between the Company and the strategic investors.</li> <li>To fulfill future operation funds, repay bank loans and other fund requirements for future developments.</li> </ol>   |                           |                          |                         |                                      | <ol style="list-style-type: none"> <li>In terms of the effectiveness, feasibility and issuance cost, private placement is more appropriate than the public offering in considering the current market. The 3-year lockup restriction of private placement shall reinforce the long term partnership between the Company and the strategic investors.</li> <li>To fulfill future operation funds, repay bank loans and other fund requirements for future developments.</li> </ol>   |                           |                          |                         |                                      |
| Due date of payment                                       | 2021.10.26 <sup>th</sup>  |                           |                          |                         |                                      | 2021.10.26 <sup>th</sup>  |                           |                          |                         |                                      |
| Subscriber information                                    | Subscriber  | Qualification (Note 1)    | No. of Shares Subscribed | Relation to the Company | Involvement in the Company operation | Subscriber  | Qualification (Note 1)    | No. of Shares Subscribed | Relation to the Company | Involvement in the Company operation |
|   | Alcor Micro   | 2 <sup>nd</sup> paragraph | 5,000,000                | NA                      | NA                                   | Alcor Micro   | 2 <sup>nd</sup> paragraph | 3,000,000                | NA                      | NA                                   |

| Item                               | 2021 1 <sup>st</sup> Private Placement<br>Date of Issuance: 2021.11.18 <sup>th</sup>   | 2021 2 <sup>nd</sup> Private Placement<br>Date of Issuance: 2021.11.18 <sup>th</sup>   |
|------------------------------------|--|--|
| Actual subscriber price            | NT\$ 31.60   | NT\$ 31.60   |
| Actual vs Reference price          | Actual price is 80.14% of the reference price. Reference price is NT\$39.43.   | Actual price is 80.14% of the reference price. Reference price is NT\$39.43.   |
| Impact for shareholders            | Increase capital surplus, raising shareholders' equity   | Increase capital surplus, raising shareholders' equity   |
| Fund usage allocation and schedule | Fund usage allocation: to replenish working capital<br>Estimated schedule: 1 <sup>st</sup> quarter 2022  | Fund usage allocation: bank loan repayment<br>Estimated schedule: loan cleared in 4 <sup>th</sup> quarter of 2021.   |
| Result of Private Placement        | Increase working capital, improve financial structure and company net worth. Through the strategic alliance, the product offering is deepened and widened. It is expected to create higher value for the shareholders afterwards as the competitiveness is improved. | Increase working capital, improve financial structure and company net worth. Through the strategic alliance, the product offering is deepened and widened. It is expected to create higher value for the shareholders afterwards as the competitiveness is improved. |

Note 1: Securities Exchange Act Article 43-6, section 1, paragraph 1,2 or 3.

## **Attachment V Independent Auditor’s Report**

### **Independent Auditor’s Report**

**This is a summary translation of the Independent Auditors’ Report on ENE TECHNOLOGY INC. and its subsidiaries. Please refer to the Chinese version for full details.**

### **The Board of Directors and Shareholders ENE TECHNOLOGY INC.**

#### **Opinion**

We have audited the accompanying consolidated financial statements of ENE TECHNOLOGY INC and subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and 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 Company 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 the 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 stands 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 ENE Technology Inc. and its subsidiaries 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 judgement, 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.

Key audit matters for the Company’s consolidated financial statements for the year ended December 31, 2021 are stated as follows:

##### **1. Inventory valuation**

Please refer to Note 4(8) and Note 5 for the accounting policy of inventory valuation, as well as the

estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note 6(4) of the consolidated financial statements.

#### Description of key audit matters

The inventory is measured at the lower of cost or net realized value. The business scope of the Company's customers are mainly related to personal computer systems or consumer electronic products. Due to the rapid change of technologies, fierce competition and shortening of product life cycle, the ASP and the demand of the related products may decline. Therefore, valuation of inventory is one of the key audit matters.

Our key audit procedures performed in respect of the mentioned item included the following:

In order to verify the rationality of assessment of inventory valuation, our key audit procedures included inspecting the inventory aging reports, sample testing on the accuracy of last effective inventory change orders and net realizable value, evaluating the policy on inventory valuation and obsolescence loss as well as the reasonableness of allowances on inventory valuation and obsolescence loss. For those with longer inventory days (more than 1 year), we also reviewed follow up sales to verify the appropriateness of inventory valuation as well as to assess whether the disclosure on inventory valuation was appropriate.

#### 2. Allowances for Bad Debts

Please refer to Note 4(7) for the accounting policy regarding allowances for bad debts. Information on allowances for bad debts and uncertainty of hypothesis are shown in Note 5. Please refer to Note 6(3) for explanatory on allowances for bad debts including notes receivables and account receivables of related parties.

#### Description of key audit matters

Account receivables are of material items to the Company. The Management adopts simplified method of IFRS 9 to evaluate the allowances by estimating the credit loss during the account receivable duration. Expected credit loss from the duration shall take into account of customer financial status, historical records, aging report, industrial and economic outlook to conduct forward-looking adjustment to reflect the estimated credit loss. Therefore, Allowances for bad debts has been identified as a key audit matter since it implies material judgement from the management.

Our Key audit procedures performed in respect of the above mentioned item included the following:

To verify the accuracy of the account receivable aging report and evaluate the rationality of the forward-looking adjustment and to recalculate the allowance for bad debts proposed by the management. Moreover, to review the collection result of overdue account receivable at the end of the period, to evaluate the sufficiency of the allowances for bad debt, and the appropriateness of the management disclosure on allowances for bad debts.

### **Other Matter**

ENE TECHNOLOGY INC has prepared the parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified audit 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 the 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 statement, 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 members of the Audit Committee) are responsible for overseeing the Company'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 statement.

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

1. Identify an 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 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 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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 auditor's report are Mei-Yu Tseng and Chien-Hui Lu.

KPMG

Hsinchu, Taiwan  
March 10<sup>th</sup>, 2022





**ENE TECHNOLOGY INC and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**January 1<sup>st</sup> to December 31<sup>st</sup>, 2021 & 2020**

Unit: NTD\$ Thousands

|      |  | <b>2021</b>      |          | <b>2020</b>     |             |
|------|--|------------------|----------|-----------------|-------------|
|      |  | <b>Amount</b>    | <b>%</b> | <b>Amount</b>   | <b>%</b>    |
| 4110 | <b>Operating revenue</b> (N6(16) & 7)                        | \$ 826,802       | 100      | 636,513         | 100         |
| 5000 | <b>Operating cost</b> (N6(4) & 7)                            | 564,456          | 68       | 490,593         | 77          |
|      | <b>Gross profit</b>  | 262,346          | 32       | 145,920         | 23          |
|      | <b>Operating expenses</b> (N6(3)(7)(11)& 7):                 |                  |          |                 |             |
| 6100 | Selling expenses   | 57,184           | 7        | 48,537          | 8           |
| 6200 | General and administration expenses                          | 76,131           | 9        | 59,857          | 9           |
| 6300 | Research and development expenses                            | 64,025           | 8        | 62,417          | 10          |
| 6450 | Allowances for credit loss (profit)                          | (490)            | -        | 681             | -           |
|      | <b>Total operating expenses</b>                              | 196,850          | 24       | 171,492         | 27          |
|      | <b>Net operating profit (loss)</b>                           | 65,496           | 8        | (25,572)        | (4)         |
|      | <b>Non-operating income &amp; expenses:</b>                  |                  |          |                 |             |
| 7020 | Other gains and losses (N6(18))                              | (6,186)          | (1)      | (35,384)        | (6)         |
| 7100 | Interest income  | 701              | -        | 2,956           | -           |
| 7510 | Interest expense (N6(11))                                    | (3,002)          | (1)      | (3,358)         | (1)         |
|      |  | (8,487)          | (2)      | (35,786)        | (7)         |
|      | <b>Profit before income tax (Loss)</b>                       | 57,009           | 6        | (61,358)        | (11)        |
| 7950 | <b>Income tax expenses (profit)</b> (N6(13))                 | (3,298)          | -        | -               | -           |
|      | <b>Net profit for the period (loss)</b>                      | 60,307           | 6        | (61,358)        | (11)        |
| 8300 | <b>Other comprehensive profit and loss:</b>                  |                  |          |                 |             |
| 8310 | <b>Items not be reclassified to profit or loss</b>           |                  |          |                 |             |
| 8311 | Gain/Loss of remeasurement of defined benefit plan (N6(12))  | (238)            | -        | 71              | -           |
|      | <b>Total for Items not be reclassified to profit or loss</b> | (238)            | -        | 71              | -           |
| 8360 | <b>Items may be reclassified to profit or loss</b>           |                  |          |                 |             |
| 8361 | Cumulative translation differences of foreign operation      | (27)             | -        | 62              | -           |
| 8399 | Income tax relating to items may be reclassified (N6(13))    | 5                | -        | (12)            | -           |
|      | <b>Total items that be reclassified to profit &amp; loss</b> | (22)             | -        | 50              | -           |
| 8300 | <b>Other comprehensive profit and loss</b>                   | (260)            | -        | 121             | -           |
|      | <b>Total comprehensive income</b>                            | <b>\$ 60,047</b> | <b>6</b> | <b>(61,237)</b> | <b>(11)</b> |
|      | <b>Earnings per share (in dollar)(N6(15))</b>                |                  |          |                 |             |
| 9750 | <b>Basic earnings per share</b>                              | <b>\$ 1.60</b>   |          | <b>(1.69)</b>   |             |
| 9850 | <b>Diluted earnings per share</b>                            | <b>\$ 1.59</b>   |          | <b>(1.69)</b>   |             |

**ENE TECHNOLOGY INC and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**January 1<sup>st</sup> to December 31<sup>st</sup> , 2021 and 2020**

Unit: NTD\$ Thousands

|  | Ordinary<br>Share Capital | Capital<br>Surplus | Accumulated<br>Loss | Other Equity Items  |   |                | Total          | Total Equity |
|--|---------------------------|--------------------|---------------------|---|---|----------------|----------------|--------------|
|  |                           |                    |                     | Cumulative<br>translation<br>differences of<br>foreign<br>operation | Unrealized P&L<br>From financial<br>assets measured<br>at fair value<br>through<br>comprehensive<br>P&L |                |                |              |
| <b>Balance as of 20200101</b>            | \$ 749,767                | 81,967             | (325,252)           | 108   | (5,000)   | (4,892)        | 501,590        |              |
| Net loss of the period                   | -                         | -                  | (61,358)            | -   | -   | -              | (61,358)       |              |
| Other comprehensive income of the period | -                         | -                  | 71                  | 50  | -   | 50             | 121            |              |
| Total comprehensive income               | -                         | -                  | (61,287)            | 50  | -   | 50             | (61,237)       |              |
| <b>Balance as of 20201231</b>            | <b>\$ 749,767</b>         | <b>81,967</b>      | <b>(386,539)</b>    | <b>158</b>  | <b>(5,000)</b>  | <b>(4,842)</b> | <b>440,353</b> |              |
| Net loss of the period                   | -                         | -                  | 60,307              | -   | -   | -              | 60,307         |              |
| Other comprehensive income of the period | -                         | -                  | (238)               | (22)  | -   | (22)           | (260)          |              |
| Total comprehensive income               | -                         | -                  | 60,069              | (22)  | -   | (22)           | 60,047         |              |
| Capital reduction to offset loss         | (386,539)                 | -                  | 386,539             | -   | -   | -              | -              |              |
| Cash capital increase                    | 80,000                    | 172,800            | -                   | -   | -   | -              | 252,800        |              |
| <b>Balance as of 20211231</b>            | <b>\$ 443,228</b>         | <b>254,767</b>     | <b>60,069</b>       | <b>136</b>  | <b>(5,000)</b>  | <b>(4,864)</b> | <b>753,200</b> |              |

**ENE TECHNOLOGY INC and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1<sup>st</sup> to December 31<sup>st</sup> , 2021 and 2020**

Unit: NTD\$ Thousands

|   | 2021      | 2020     |
|---|-----------|----------|
| <b>Cash Flow from operating activities:</b>         |           |          |
| <b>Income before income tax (loss)</b>              | \$ 57,009 | (61,358) |
| <b>Adjustments:</b>                                 |           |          |
| Income and expenses/loss items                      |           |          |
| Depreciation  | 12,573    | 10,421   |
| Amortization  | 954       | -        |
| Expected credit impairment loss                     | (490)     | 681      |
| Allowance for inventory evaluation & obsolesce loss | 1,908     | 1,390    |
| Interest expense                                    | 3,002     | 3,358    |
| Interest income                                     | (701)     | (2,956)  |
| Others not affecting cash flow                      | (50)      | (71)     |
| Total of income and expense/loss items              | 17,196    | 12,823   |
| Changes in operating assets and liabilities:        |           |          |
| Increase in notes and account receivables           | (20,187)  | (2,946)  |
| Increase account receivable from related parties    | (7,983)   | (6,596)  |
| Inventory   | (33,479)  | 82,291   |
| Other operating asset                               | (653)     | 2,620    |
| Total changes in operating assets and liabilities   | (62,302)  | 75,369   |
| Account payable                                     | 32,254    | 28,371   |
| Account payable from related parties                | 1,559     | (1,692)  |
| Other operating liabilities                         | 18,353    | 1,739    |
| Total changes in operating liabilities              | 52,166    | 28,418   |
| Net changes in operating assets and liabilities     | (10,136)  | 103,787  |
| Cash flows from operating activities                | 64,069    | 55,252   |
| Interest received                                   | 715       | 3,136    |
| Interest paid                                       | (3,028)   | (3,335)  |
| <b>Net cash flow from operating activities</b>      | 61,756    | 55,053   |

(continued)

**ENE TECHNOLOGY INC and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1<sup>st</sup> to December 31<sup>st</sup> , 2021 and 2020**

Unit: NTD\$ Thousands

|   | 2021       | 2020      |
|---|------------|-----------|
| <b>Cash flows from investment activities:</b>       |            |           |
| Acquisition of real estate, plant and equipment     | (12,814)   | (7,295)   |
| Increase in Refundable deposits                     | -          | (114)     |
| Obtain intangible assets                            | (2,466)    | -         |
| Decrease in other financial asset - current         | 66,545     | 20,310    |
| Increase in other financial asset – non-current     | (6)        | (7)       |
| <b>Net Cash flow from investment activities</b>     | 51,259     | 12,894    |
| <b>Cash flows from financing activities:</b>        |            |           |
| Increase in short term loan                         | 226,649    | 355,334   |
| Decrease in short term loan                         | (365,826)  | (345,034) |
| Long term loan                                      | -          | 20,000    |
| Long term loan repayment                            | (7,274)    | (1,817)   |
| Lease liabilities principle repayment               | (6,814)    | (6,180)   |
| Cash capital increase                               | 252,800    | -         |
| <b>Net cash flows from financing activities</b>     | 99,535     | 22,303    |
| Effect of exchange rate to cash and cash equivalent | (25)       | 59        |
| Net increase in cash and cash equivalent            | 212,525    | 90,309    |
| Cash and cash equivalent at beginning of period     | 188,059    | 97,750    |
| Cash and cash equivalent at end of period           | \$ 400,584 | 188,059   |

**This is a summary translation of the Independent Auditors' Report on ENE TECHNOLOGY INC. Please refer to the Chinese version for full details.**

**The Board of Directors and Shareholders  
ENE TECHNOLOGY INC**

**Opinion**

We have audited the accompanying parent company only financial statements of ENE TECHNOLOGY INC (the “Company”), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and 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 its parent company only financial performance and its 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 stands 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 judgement, 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.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2021 are stated as follows:

## 1. Inventory valuation

Please refer to Note 4(7) and Note 5 for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note 6(4) of the financial statements.

### Description of key audit matters

The inventory is measured at the lower of cost or net realized value. The business scope of the Company's customers are mainly related to personal computer systems or consumer electronic products. Due to the rapid change of technologies, fierce competition and shortening of product life cycle, the ASP and the demand of the related products may decline. Therefore, valuation of inventory is one of the key audit matters.

Our key audit procedures performed in respect of the mentioned item included the following:

In order to verify the rationality of assessment of inventory valuation, our key audit procedures included inspecting the inventory aging reports, sample testing on the accuracy of last effective inventory change orders and net realizable value, evaluating the policy on inventory valuation and obsolescence loss as well as the reasonableness of allowances on inventory valuation and obsolescence loss. For those with longer inventory days (more than 1 year), we also reviewed follow up sales to verify the appropriateness of inventory valuation as well as to assess whether the disclosure on inventory valuation was appropriate.

## 2. Allowances for Bad Debts

Please refer to Note 4(6) for the accounting policy regarding allowances for bad debts. Information on allowances for bad debts and uncertainty of hypothesis are shown in Note 5. Please refer to Note 6(3) for explanatory on allowances for bad debts including notes receivables and account receivables of related parties.

### Description of key audit matters

Account receivables are of material items to ENE. The Management adopts simplified method of IFRS 9 to evaluate the allowances by estimating the credit loss during the account receivable duration. Expected credit loss from the duration shall take into account of customer financial status, historical records, aging report, industrial and economic outlook to conduct forward-looking adjustment to reflect the estimated credit loss. Therefore, Allowances for bad debts has been identified as a key audit matter since

it implies material judgement from the management.

Our Key audit procedures performed in respect of the above mentioned item included the following:

To verify the accuracy of the account receivable aging report and evaluate the rationality of the forward-looking adjustment and to recalculate the allowance for bad debts proposed by the management. Moreover, to review the collection result of overdue account receivable at the end of the period, to evaluate the sufficiency of the allowances for bad debt, and the appropriateness of the management disclosure on allowances for bad debts.

### **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 statement, 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent 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 judgement and maintain professional skepticism throughout the audit. We also:

1. Identify an 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 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 auditor's report are Mei-Yu Tseng and Chien-Hui Lu.

KPMG

Hsinchu, Taiwan  
March 10<sup>th</sup>, 2022



**ENE TECHNOLOGY INC**  
**Income Statement**  
**2021 and 2020 January 1<sup>st</sup> to December 31<sup>st</sup>**

|      |  | Unit: NTD Thousands |     |                 |      |
|------|--|---------------------|-----|-----------------|------|
|      |  | 2021                |     | 2020            |      |
|      |  | Amount              | %   | Amount          | %    |
| 4110 | Operating revenue (N6(17) & 7)   | \$ 824,988          | 100 | 636,046         | 100  |
| 5000 | Operating cost (N6(4) & 7)   | <u>563,671</u>      | 68  | <u>490,593</u>  | 77   |
|      | <b>Gross profit</b>  | <u>261,317</u>      | 32  | <u>145,453</u>  | 23   |
|      | <b>Operating expenses (N6(3)(8)(12)&amp; 7) :</b>                      |                     |     |                 |      |
| 6100 | Selling expenses   | 57,184              | 7   | 48,537          | 8    |
| 6200 | General and administration expenses                                    | 73,399              | 9   | 57,408          | 9    |
| 6300 | Research and development expenses                                      | 64,025              | 8   | 62,417          | 10   |
| 6450 | Allowances for credit loss   | <u>(490)</u>        | -   | <u>681</u>      | -    |
|      | <b>Total operating expenses</b>  | <u>194,118</u>      | 24  | <u>169,043</u>  | 27   |
|      | <b>Operating loss</b>  | <u>67,199</u>       | 8   | <u>(23,590)</u> | (4)  |
|      | <b>Non-operating income &amp; expenses:</b>                            |                     |     |                 |      |
| 7020 | Other gains and losses (N6(19))  | (6,446)             | (1) | (35,431)        | (6)  |
| 7060 | Share of loss of associates accounted for using equity methods (N6(5)) | (1,477)             | -   | (1,967)         | -    |
| 7100 | Interest income  | 694                 | -   | 2,948           | -    |
| 7510 | Interest expense (N6(12))  | <u>(2,961)</u>      | -   | <u>(3,318)</u>  | (1)  |
|      |  | <u>(10,190)</u>     | (1) | <u>(37,768)</u> | (7)  |
|      | <b>Net Loss before income tax</b>                                      | 57,009              | 7   | (61,358)        | (11) |
| 7950 | Income tax expenses (N6(14))   | <u>(3,298)</u>      | -   | <u>-</u>        | -    |
|      | <b>Net Profit</b>  | <u>60,307</u>       | 7   | <u>(61,358)</u> | (11) |
| 8300 | <b>Other comprehensive income (loss) :</b>                             |                     |     |                 |      |
| 8310 | <b>Items not be reclassified to profit or loss :</b>                   |                     |     |                 |      |
| 8311 | Gain/Loss of remeasurement of defined benefit plan (N6(13))            | <u>(238)</u>        | -   | <u>71</u>       | -    |
|      | <b>Total for Items not be reclassified to profit or loss :</b>         | <u>(238)</u>        | -   | <u>71</u>       | -    |
| 8360 | <b>Items that may be reclassified to profit or loss :</b>              |                     |     |                 |      |
| 8361 | Cumulative translation differences of foreign operation                | (27)                | -   | 62              | -    |
| 8399 | Income tax relating to items may be reclassified (N6(14))              | <u>5</u>            | -   | <u>(12)</u>     | -    |
|      | <b>Total items that may be reclassified to profit or loss</b>          | <u>(22)</u>         | -   | <u>50</u>       | -    |
| 8300 | <b>Other comprehensive income (Net after tax)</b>                      | <u>(260)</u>        | -   | <u>121</u>      | -    |
|      | <b>Total comprehensive income (Net after tax)</b>                      | <u>\$ 60,047</u>    | 7   | <u>(61,237)</u> | (11) |
|      | <b>Earnings per share (N6(16))</b>                                     |                     |     |                 |      |
| 9750 | <b>Basic earnings per share</b>  | <u>\$ 1.60</u>      |     | <u>(1.69)</u>   |      |
| 9850 | <b>Diluted earnings per share</b>                                      | <u>\$ 1.59</u>      |     | <u>(1.69)</u>   |      |

**ENE TECHNOLOGY INC and Subsidiaries**  
**Statements of Changes in Equity**  
**January 1<sup>st</sup> to December 31<sup>st</sup> , 2021 and 2020**

Unit: NTD\$ Thousands

|  | Ordinary<br>Share Capital | Capital<br>Surplus | Accumulated<br>Loss | Cumulative<br>translation<br>differences of<br>foreign<br>operation | Other Equity Items  |                | Total          | Total Equity |
|--|---------------------------|--------------------|---------------------|---|---|----------------|----------------|--------------|
|  |                           |                    |                     |   | Unrealized P&L<br>From financial<br>assets measured<br>at fair value<br>through<br>comprehensive<br>P&L |                |                |              |
| <b>Balance as of 20200101</b>            | \$ 749,767                | 81,967             | (325,252)           | 108   | (5,000)   | (4,892)        | 501,590        |              |
| Net loss of the period                   | -                         | -                  | (61,358)            | -   | -   | -              | (61,358)       |              |
| Other comprehensive income of the period | -                         | -                  | 71                  | 50  | -   | 50             | 121            |              |
| Total comprehensive income               | -                         | -                  | (61,287)            | 50  | -   | 50             | (61,237)       |              |
| <b>Balance as of 20201231</b>            | <b>\$ 749,767</b>         | <b>81,967</b>      | <b>(386,539)</b>    | <b>158</b>  | <b>(5,000)</b>  | <b>(4,842)</b> | <b>440,353</b> |              |
| Net loss of the period                   | -                         | -                  | 60,307              | -   | -   | -              | 60,307         |              |
| Other comprehensive income of the period | -                         | -                  | (238)               | (22)  | -   | (22)           | (260)          |              |
| Total comprehensive income               | -                         | -                  | 60,069              | (22)  | -   | (22)           | 60,047         |              |
| Capital reduction to offset loss         | (386,539)                 | -                  | 386,539             | -   | -   | -              | -              |              |
| Cash capital increase                    | 80,000                    | 172,800            | -                   | -   | -   | -              | 252,800        |              |
| <b>Balance as of 20211231</b>            | <b>\$ 443,228</b>         | <b>254,767</b>     | <b>60,069</b>       | <b>136</b>  | <b>(5,000)</b>  | <b>(4,864)</b> | <b>753,200</b> |              |

**ENE TECHNOLOGY INC**  
**Statement of Cash Flows**  
**2021 and 2020 January 1<sup>st</sup> to December 31<sup>st</sup>**

**Unit: NTD Thousands**

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
| <b>Cash Flow from operation activities</b>                                     |               |               |
| <b>Profit/Loss before income tax</b>   | \$ 57,009     | (61,358)      |
| <b>Adjustment items:</b>   |               |               |
| Adjustment to reconcile profit/loss  |               |               |
| Depreciation expenses  | 11,964        | 9,785         |
| Amortization expenses  | 954           | -             |
| Expected credit loss/gain/provision/reversal of provision for bad debt expense | (490)         | 681           |
| Allowance for inventory valuation and obsolescence losses                      | 1,908         | 1,390         |
| Interest expense   | 2,961         | 3,318         |
| Interest income  | (694)         | (2,948)       |
| Share of loss of associates accounted for using equity method                  | 1,477         | 1,967         |
| Other adjustments to reconcile profit/loss                                     | (50)          | (71)          |
| Total adjustments to reconcile profit/loss                                     | 18,030        | 14,122        |
| Changes in operating assets and liabilities:                                   |               |               |
| Account receivables  | (17,013)      | (3,195)       |
| Account receivables-related parties  | (9,832)       | (7,264)       |
| Inventory  | (33,479)      | 82,291        |
| Other operating assets   | (591)         | 2,653         |
| Total changes in operating assets  | (60,915)      | 74,485        |
| Account payable  | 32,254        | 28,371        |
| Account payable- related parties   | 1,559         | (1,692)       |
| Other operating liabilities  | 18,601        | 1,805         |
| Total changes in operating liabilities   | 52,414        | 28,484        |
| Total changes in operating assets and liabilities                              | (8,501)       | 102,969       |
| Cash inflow (outflow) generated from operations                                | 66,538        | 55,733        |
| Interest received  | 708           | 3,128         |
| Interest paid  | (2,987)       | (3,296)       |
| <b>Net cash flows from (used in) operating activities</b>                      | <b>64,259</b> | <b>55,565</b> |

**(Next page)**

**ENE TECHNOLOGY INC**  
**Statement of Cash Flows (Continued)**

**2021 and 2020 January 1<sup>st</sup> to December 31<sup>st</sup>**

**Unit: NTD Thousands**

|   | <b>2021</b>       | <b>2020</b>    |
|---|-------------------|----------------|
| <b>Cash flows from operating activities :</b>                             |                   |                |
| Acquisition of investment by equity method                                | -                 | (4,563)        |
| Acquisition of property, plant and equipment                              | (12,814)          | (7,295)        |
| Increase (decrease) in refundable deposits                                | -                 | (125)          |
| Acquire intangible assets   | (2,466)           | -              |
| Decrease (increase) in other financial assets-current                     | 66,545            | 20,310         |
| Increase in other financial assets-noncurrent                             | (6)               | (7)            |
| Net Cash flows from investment activities                                 | 51,259            | 8,320          |
| <b>Cash flows from financing activities :</b>                             |                   |                |
| Increase in short-term loan   | 226,649           | 355,334        |
| Decrease in short-term loan   | (365,826)         | (345,034)      |
| Long term loan  | -                 | 20,000         |
| Long term loan repayments   | (7,274)           | (1,817)        |
| Lease repayments  | (6,204)           | (5,548)        |
| Cash capital increase   | 252,800           | -              |
| Net cash flows from financing activities                                  | 100,145           | 22,935         |
| Cash and cash equivalents at beginning of period                          | 215,663           | 86,820         |
| Cash and cash equivalents at end of period                                | 183,726           | 96,906         |
| Cash and cash equivalents reported in the statement of financial position | <b>\$ 399,389</b> | <b>183,726</b> |

**Attachment VI Table of Deficit Appropriation for 2020**

**ENE TECHNOLOGY INC**  
**Appropriation of Profit**  
**For Year 2021**

Unit: NT Dollars

| Item  | Total                |
|---|----------------------|
| <b>Retained earnings at beginning of the period</b> | <b>(386,538,529)</b> |
| Add: capital reduction to offset accumulated losses | 386,538,520          |
| Add: Net profits after tax for 2021                 | 60,307,426           |
| Less: remeasurement of defined benefit obligations  | (238,886)            |
|   |                      |
| Less: legal reserve                                 | (6,006,853)          |
| <b>Distributable net profit</b>                     | <b>54,061,678</b>    |
| Distributable items:                                |                      |
| Less: Dividends- cash (NT\$1 per share)             | (44,322,841)         |
| <b>Retained earnings at the end of the period</b>   | <b>9,738,837</b>     |

\* Dividends shall be calculated according to the distribution ratio up to dollar. Any amount under NT\$1 shall be rounded off. Total of the fractional amounts less than 1 dollar shall be listed under Other Income.

Attachment VII

**ENE TECHNOLOGY INC**  
**Amendments of Articles of Incorporations**  
**Comparison Table**

| After   | Before  | Notes   |
|---|---|---|
| <p>Article 10</p> <p>Shareholders' meetings of the Corporation are of two types, namely Regular Meetings and Extraordinary Meetings. Regular Meeting shall be convened once a year within six (6) months after the close of each fiscal year and Extraordinary Meetings shall be convened whenever is necessary. Written notice of the Regular Meeting/Extraordinary Meeting shall be sent to all shareholders according to the registered information with the Corporation. Shareholders shall be notified of the Regular Meeting at least thirty (30) days in advance; and at least fifteen (15) days in advance for the Extraordinary Meeting. Shareholders' meeting shall be convened by the Board of Directors unless otherwise specified in the Company Law of Taiwan the Republic of China. If Shareholders' Meeting is convened by empowered personnel other than the Board of Directors, the said person shall chair the meeting. In the event of two or more people, only one shall be the Chairman of the meeting. The shareholders' meeting can be held via video conferencing, or any other methods approved by the Ministry of Economics.</p> | <p>Article 10</p> <p>Shareholders' meetings of the Corporation are of two types, namely Regular Meetings and Extraordinary Meetings. Regular Meeting shall be convened once a year within six (6) months after the close of each fiscal year and Extraordinary Meetings shall be convened whenever is necessary. Written notice of the Regular Meeting/Extraordinary Meeting shall be sent to all shareholders according to the registered information with the Corporation. Shareholders shall be notified of the Regular Meeting at least thirty (30) days in advance; and at least fifteen (15) days in advance for the Extraordinary Meeting. Shareholders' meeting shall be convened by the Board of Directors unless otherwise specified in the Company Law of Taiwan the Republic of China. If Shareholders' Meeting is convened by empowered personnel other than the Board of Directors, the said person shall chair the meeting. In the event of two or more people, only one shall be the Chairman of the meeting.</p> | <p>Add new method of meeting conduct such as video conference or any other ways approved by the Ministry of Economics</p> |
| <p>Article 20</p> <p>The Directors shall elect from amongst themselves a Chairman of the Board of Directors by a majority vote at a meeting</p>   | <p>Article 20</p> <p>The Directors shall elect from amongst themselves a Chairman of the Board of Directors by a majority vote at a meeting</p>   | <p>The BOD shall elect Vice Chairman if circumstances required.</p>   |

| After  | Before   | Notes                             |
|--|--|-----------------------------------|
| <p>attended by over two-thirds of the Directors. The Vice Chairman can be elected the same way if required. The Chairman will be the representative of the Corporation.</p>  | <p>attended by over two-thirds of the Directors. The Chairman will be the representative of the Corporation.</p>   |                                   |
| <p>Article 37<br/> This Articles of Incorporation are agreed to and signed on April 10<sup>th</sup>, 1998 and effective after submission to the Authority. All amendments shall be approved by the Shareholders' Meeting and submitted to the Authority for approval.<br/> First Amendment: May 14<sup>th</sup>,1998<br/> ...<br/> ...omitted<br/> Twenty-fifth Amendment: June 9<sup>th</sup>, 2022</p> | <p>Article 37<br/> This Articles of Incorporation are agreed to and signed on April 10<sup>th</sup>, 1998 and effective after submission to the Authority. All amendments shall be approved by the Shareholders' Meeting and submitted to the Authority for approval.<br/> First Amendment: May 14<sup>th</sup>,1998<br/> ...<br/> ...omitted<br/> Twenty-fourth Amendment: June 13<sup>th</sup>, 2019</p> | <p>Update latest edition date</p> |

## ENE TECHNOLOGY INC

### Nominees for Board of Directors

In accordance with Article 192-1 of Corporate Act, nominees for Directors are:

| Nominees   | ID       | Academic Background  | Resume  | Holdings by Institutional Shareholders (Shares) |
|--|----------|--|---|---|
| Alcor Micro Corp.<br>Representative<br>Dylan Chung | 70455720 | NTU<br>Master of Accounting  | <b>Current:</b><br>CEO, ENE TECHNOLOGY INC<br><br><b>Major experience:</b><br>Finance Manager, HCT Logistics  | 8,000,000                                       |
| Alcor Micro Corp.<br>Representative<br>D.S Chen    | 70455720 | University of Illinois<br>Urbana-Champaign<br>MBA<br><br>Master of Electrical Engineering,<br>National Chiao Tung University<br><br>Bachelor of Electrical Engineering,<br>National Central University | <b>Current:</b><br>VP of Strategic Investment, Alcor Micro Corp<br>Institutional Representative, Algotek<br><br><b>Major experience:</b><br>Sales Director, Synopsis Taiwan<br>Sales Director, TwinWin Applied Technology Co. Ltd<br>VP of Marketing, Ali Tech<br>VP of Marketing Sales, Alcor Micro Corp<br>GM of STB BU, Ali Tech | 8,000,000                                       |
| Siguard  | 23218022 | —  | —   | 665,543   |
| Asustek  | 23638777 | —  | —   | 444,364   |

In accordance with Article 192-1 of Corporate Act, nominees for Independent Directors are:

| Nominee      | ID         | Academic Background  | Resume   | Holdings (Shares) |
|--------------|------------|--|--|-------------------|
| Wen Ji Chein | J120483451 | National Taipei University<br>Master of Accounting   | <b>Current:</b><br>Premtek International Inc<br>Senior managers, Legal and stock affairs   | 0                 |
| Yi Fong Lin  | V101066109 | National Cheng Kung University<br>Master of Electrical Engineering<br><br>National Taiwan University<br>EMBA | <b>Current:</b><br>Director of Board, Yu Hsin Technology Development Inc.<br>Chairman, Focus Inc.<br><br><b>Major experiences:</b><br>Founding member of Intel Taiwan<br>Founder of Migo Corp  | 0                 |
| Chi Ming Wu  | E120940215 | Master of Engineering<br>University of Michigan  | <b>Current:</b><br>Independent director, Remuneration and Audit committees member<br>SYNCOMM Technology Corp<br><br>Chairman<br>EBIZSERVE INC.<br><br>CEO<br>Ensure Finance Consultant Incorporation.<br><br><b>Major experiences:</b><br>Chairman<br>Cathay Securities Corp<br><br>Chairman<br>If investment Consultancy<br><br>COO<br>JP Morgan Taiwan | 0                 |

## Appendix

## **Appendix I Rules and Procedures of Shareholders' Meeting**

### **ENE TECHNOLOGY INC Rules and Procedures of Shareholders' Meeting**

1. Shareholder's Meeting of the Corporation (the "Meeting") shall be conducted in accordance with this set of Rules and Procedures. Any matter not included in the Rules and Procedures shall be handled in accordance with relevant laws and regulations.
2. The Corporation shall provide a check-in booklet for the attending shareholders. Presence of the Attendance Cards will also serve the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted and the check-in booklet.
3. The presence of shareholders in the Meeting and their voting thereof shall be calculated in accordance with the number of shares.
4. The Meeting shall be held at the head office of the Corporation or at any other appropriate location that is convenient for the shareholders to attend. The starting time of the Meeting shall not be earlier than 9:00am or later than 3:00pm.
5. The Chairman of the Board shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. In the event that the Chairman of the Board is unable to preside at the Meeting, the Vice Chairman of the Board shall preside at the Meeting. If there is no Vice Chairman or the Vice Chairman is unable to fulfil the duty, Chairman of the Board shall assign a managing director or a member of the Board to preside at the meeting. If no proxy is assigned by the Chairman, Directors shall elect one member amongst themselves to be the Chairman.  
If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the meeting.  
Shareholder holding one percent (1%) or more of the total outstanding shares of the Corporation is entitled to propose discussion topics for the Meeting in written within the period of time set and announced by the Corporation. Each proposal shall be limited to one topic and at maximum of 300 words. Contents exceeding this guideline will be excluded from the agenda. The shareholder who made the proposal shall attend the Meeting in person or by a proxy and actively participate in the discussion.
6. The Corporation shall appoint designated counsel, CPA or other related personnel to attend the meeting. Personnel handling affairs of the Meeting shall wear identification cards or badges.
7. The Meeting shall be recorded on audio or video and preserved for at least one year.
8. Chairman shall call the Meeting to order on time in according to the prescribed schedule. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled, the Chairman may postpone the Meeting. The postponements shall be limited to two times and the Meeting shall not be postponed for longer than one hour in aggregate. If after two postponements no quorum can yet to be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company

Law of Taiwan the Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of Taiwan the Republic of China. If the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum before the Meeting is adjourned, the Chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of Taiwan the Republic of China.

9. The agenda of the Meeting shall be set the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Chairman cannot announce adjournment of the Meeting before all discussion items (including extemporary motions) listed in the agenda is resolved. After the Meeting is adjourned, shareholders cannot elect any other person as chairman and continue the Meeting at the same or any other location.
10. When a shareholder wishes to speak at the Meeting, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the Chairman. If a shareholder only submits the Speech Note without actual aural communication, this Speech Note of the shareholder is deemed as invalid. If the contents of the speech are inconsistent with the contents of the Speech Note, the contents of the actual speech shall prevail. Unless otherwise permitted by the Chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of any other shareholder otherwise the Chairman shall stop such interruption.
11. Unless otherwise permitted by the Chairman, each shareholder shall not speak more than two times and each time shall not exceed 5 minutes for each discussion item. If the speech violates the above provision or exceeds the scope of the discussion item, the Chairman may stop the speech of such shareholder.
12. Any legal entity designated as proxy by a shareholder(s) to present at the Meeting may appoint only one representative to attend the Meeting. In Case the legal entity appoints two representatives to the Meeting, each discussion item shall only allow one representative to speak.
13. After the speech of a shareholder, the Chairman may respond himself/herself or appoint an appropriate person to respond. The Chairman may also terminate the discussion and go into voting if the Chairman deems it appropriate.
14. Except otherwise specified in the Company Law of Taiwan the Republic of China or the Articles of Incorporation, a resolution shall be adopted by a majority votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the Chairman.
15. If there is amendment to or substitute for a discussion item, the chairman shall decide

the priority of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

16. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the Chairman. The person(s) checking the ballots shall be a shareholder of the Corporation. The result of voting shall be announced at the Meeting and placed on record.
17. The Chairman may set time for intermission during the progression of the Meeting.
18. The Chairman may ask the disciplinary officers or the security guard to maintain the order of the Meeting.
19. Other matters not specified in this regulation shall be governed in accordance with the Company Law and the Securities and Exchange Law.
20. These Rules and Procedures or any future revision shall be effective from the date it is approved by the Shareholder's Meeting.

## Appendix II Articles of Incorporation

### ENE TEHCNOLOGY INC.

#### Articles of Incorporation

### Section 1-General Provisions

#### Article 1

The Corporation shall be incorporated, as a company limited by shares, under the Company Law of Taiwan, the Republic of China, and named as 迅杰科技股份有限公司 in Chinese language, and ENE TECHNOLOGY INC. in English language.

#### Article 2

The scope of business of the Corporation shall be as follows:

- a.CC01050 Data Storage and Process Device Manufacturing
- b.CC01080 Electronic Parts and Components Manufacturing.
- c.F118010 Wholesale of Computer Software
- d.F218010 Retail Sale of Computer Software
- e.I301010 Software Design Services
- f.F401010 International Trade
- g.I501010 Product Designing

Including the research, design, development, manufacturing and sales of the following products:

1. Computer Communication System Interface Control Device ICs
2. Power Controller ICs
3. NB Keyboard Controller ICs
4. Computer Communication System USB Controller ICs
5. Power Management ICs
6. SATA ◦
7. PCI EXPRESS ◦
8. ASSP of the above products
9. Extended application of the above products
10. ASIC
11. Software and Firmware of the above product series
12. International trading relating to the products and business of the Corporation

#### Article 3

The Corporation resides its head office in Science Based Industrial Park, Hsinchu, Taiwan the Republic of China, and upon approval of Board of Directors and government authorities in charge to set up representative and branch offices at various

locations within and without the territory of Taiwan the Republic of China.

#### Article 4

Public announcements of the Corporation shall be made in accordance with the Company Law and other relevant rules and regulations of Taiwan the Republic of China.

## **Section II-Capital Stock**

#### Article 5

The total capital stock of the Corporation shall be in the amount of 950,000,000 New Taiwan Dollars, divided into 95,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments.

The Corporation may issue employee stock options in according to the resolution of the Board of Directors from time to time, A total of 5,000,000 shares, at ten New Taiwan Dollars each, among the above total capital stock should be reserved for issuing employee stock options.

#### Article 6

The share certificates of the Corporation shall all be name-bearing share certificates, stamped or signed by three or more members of the Board, and issued after attested by authorized institution. The Corporation may issue share without printing share certificates but the shares shall be registered at the Governing Centralized Securities Depository Enterprises, so are any other securities.

#### Article 7

Deleted.

#### Article 8

All stock related affairs shall follow the “Guidelines for Stock Operations for Public Companies” unless specified otherwise by law and securities regulations.

#### Article 9

Registration for transfer of shares shall be suspended immediately sixty (60) days prior to the date of regular meeting of shareholders, and thirty (30) days prior to the date of extraordinary meeting of shareholders, or within five days before the day on which dividends, bonus, or any other benefits is scheduled to be paid by the Corporation.

### **Section III – Shareholders Meeting**

#### Article 10

Shareholders' meetings of the Corporation are of two types, namely Regular Meetings and Extraordinary Meetings. Regular Meeting shall be convened once a year within six (6) months after the close of each fiscal year and Extraordinary Meetings shall be convened whenever is necessary. Written notice of the Regular Meeting/Extraordinary Meeting shall be sent to all shareholders according to the registered information with the Corporation. Shareholders shall be notified of the Regular Meeting at least thirty (30) days in advance; and at least fifteen (15) days in advance for the Extraordinary Meeting.

Shareholders' meeting shall be convened by the Board of Directors unless otherwise specified in the Company Law of Taiwan the Republic of China. If Shareholders' Meeting is convened by empowered personnel other than the Board of Directors, the said person shall chair the meeting. In the event of two or more people, only one shall be the Chairman of the meeting.

The shareholders' meeting can be held via video conferencing, or any other methods approved by the Ministry of Economics.

#### Article 11

The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Corporation. In his/her absence, the Chairman shall assign a Director to act in lieu of him/her. If no such person is assigned, Board members shall elect one from amongst themselves to act in lieu of the Chairman.

#### Article 12

Following affairs related to the Corporation shall be approved in the Shareholders' Meeting:

1. Amendment of the Articles of the Incorporation
2. Change of capital stock
3. Merger or Acquisition
4. Operation under entrustment
5. Dismissal or liquidation of the Incorporation
6. Election of the Board members
7. To exempt the Directors from Non-Competition Clause
8. Other affairs to be approved pursuant to the law

#### Article 13

Each share of stock shall be entitled to one vote. Shareholders are allow to exercise voting rights by correspondence or electronic means; when voting rights are to be exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.

#### Article 14

If a shareholder is unable to attend a meeting, he/she may appoint a proxy with a signed/stamped power of attorney issued by the Incorporation. When a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

#### Article 15

When a juristic person is a shareholder, its proxy shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds.

#### Article 16

Resolutions at a shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

#### Article 17

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be affected by means of electronic transmission. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company.

### **Section IV- Directors and the Audit Committee**

#### Article 18

The Corporation shall have seven to nine Directors, all elected by the Shareholders' Meeting. The term of office for Directors shall be three (3) years. The Corporation shall purchase Directors and Officers Liability Insurance which covering the Directors for claims made against them while serving the Corporation.

#### Article 18-1

In compliance with Article 14-2 of the Taiwan ROC Securities and Exchange Act, the Corporation shall have at least three independent Directors. The Company adopts candidate nomination system for the election of Directors. Election shall be conducted in accordance to Article 192-1 of the Corporate Law.

The prerequisites for professional Qualification, shareholding, concurrent position restriction, nomination and election shall follow the regulations of related authority.

Independent and non-independent directors shall be elected at the same time but on separate ballots.

The total holding of Directors shall be overlooked in according to the regulations of related authority.

#### Article 19

When election of new Board is not arranged upon expiration of the term of office, the Corporation shall extend the term of office until new directors are elected and assumed their office. When a director transfers more than 50% of the shareholding during the term of office, he/she shall, ipso facto, be discharged from the office of Director. The Corporation is a public listed company, when the number of directors falls short by one third of the total number prescribed are dismissed en masse, an extraordinary shareholders meeting shall be convened within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

#### Article 20

The Directors shall elect from amongst themselves a Chairman of the Board of Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The Vice Chairman can be elected the same way if required. The Chairman will be the representative of the Corporation.

#### Article 21

In the absence of Chairman of the Board, any one of the Directors shall act for him according to Article 208 of the Company Law of Taiwan the Republic of China.

#### Article 22

Unless otherwise specified in the Company Law or the Articles of Incorporation, Board Meetings shall be convened by Chairman of the Board and attended by majority of total Directors and resolutions shall be adopted with the consent of the majority of the Directors present at the meeting. A Director may appoint another Director to attend on his/her behalf any Meeting of the Board provided with written authorization specifying authorized matters and actions for the meeting. No Director shall act as proxy for more than one Director.

#### Article 23

Power and Authority of the Board:

1. Stipulation of Business Hoshin, review of business plan and supervise of business operation
2. Election of Chairman of the Board

3. Appointment and dismissal of Managing Director and Vice Managing Director
4. Review and approve of Budget
5. Proposal on mending Articles of Incorporation, modify capital, and dismissal/merger of the Corporation
6. Proposal of surplus distribution and deficit compensation
7. Approval of bank loans
8. Selection of auditing accountant
9. Settlement and removal of branch operations
10. Related affairs on Directors and Officers Liability Insurance
11. Act in accordance to Company Law or resolutions of the Shareholders' Meeting

#### Article 24

Board Meeting shall be convened in accordance to Article 204 of Company Law at least once every quarter. In case of urgent circumstances, the Board Meeting shall be convened any time with written notice in form of emails or facsimiles. Resolutions of Board Meetings shall be recorded in the minutes and signed or stamped by the Chairman and delivered to Directors within 20 days after the meeting was adjourned.

#### Article 25

Affairs relating to the Audit Committee such as number of member, length of term, power scope, rules & procedures and resources to be provided by the Corporation when engaging power shall be stipulated in the Audit Committee Organization Rules.

#### Article 26

Supervisors shall not serve as Directors, Managers or other positions concurrently in the Corporation.

#### Article 27

The Corporation shall establish the Audit Committee in pursuant to the Securities and Exchange Act. The Committee consists of Independent Directors of the Corporation and is in charge of fulfilling the Supervisor duties regulated by the Company Law, Securities and Exchange Act and any other related legislations.

#### Article 28

Compensation of the Directors shall be determined in accordance to their contributions and reference on the common standards of the industry in regardless of financial performance of the Corporation.

## **Section V Managers and employees**

#### Article 29

The Corporation appoints one Chief Executive Officer, Vice Presidents and other managers to meet the operational or managerial needs. Appointment, dismissal and compensation packages will be conducted in accordance to Article 29 of the Company Law of Taiwan the Republic of China.

#### Article 30

The recruitment/dismissal of employees and managerial regulations shall be prepared and provided by the Chief Executive Officer and present to the Board of Directors.

### **Section VI Financial Reports**

#### Article 31

The fiscal year of the Corporation shall follow the calendar year. At the end of each fiscal year, the following reports shall be prepared by the Board of Directors and be submitted to the Shareholder's Meeting for acceptance:

1. Business Report;
2. Financial Statements;
3. Proposal concerning Appropriation of Net Profits or Covering of Losses.

#### Article 32

When there is profit, the Corporation shall set aside no less than 20% of the profits as employee bonus and no more than 3% of the profits as bonus to the Board of Directors. However, when there is still accumulated loss from previous years, the Corporation shall reserve the profit to offset its losses.

The employee bonus shall be in the form of company stock or cash and distributed to the entitled employees where the qualifications will be set by the Board of Directors. Bonus for the Board of Directors will be in the form of cash and the Bonus Distribution proposal shall be approved by the majority of the Board of Directors attending the Board Meeting with more than 2/3 of total Board of Directors are present at the meeting. The proposal shall be reported to the Shareholders' Meeting.

#### Article 32-1

When there is profit, other than reserve for annual taxation payment, the Corporation shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Corporation. The Corporation will then set special reserve when necessary, the profit left will be distributed in accordance to the resolution of the shareholders' meeting.

#### Article 32-2

In terms of stock options and treasury stock for employees, the price can be lower than

the last trading price of the day or the average buying cost. The reference dates shall be set in accordance to the Regulations set by the authority and approved by the Shareholders' Meeting. Limitations on the distributed treasury stock shall refer to the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.

#### Article 33

The Dividends Policy is stipulated in accordance with the Articles of Incorporation and composed in considering the company capital, financial structure, business performance, profit earned and industrial status. Ratio for dividends distribution shall not lower than 50% of the total profit left and the cash dividends shall not lower than 50% of the total dividends distributed.

### **Section VII Supplementary Provisions**

#### Article 34

The Total shareholding amount of investments in another unlimited liability company/limited liability company shall not exceed forty percent (40%) of the paid-up capital of the Corporation. Proposal of such investment shall be approved and authorized by the Board of Directors.

#### Article 35

The Corporation shall be able to make endorsements/guarantees. Policies on Endorsements & Guarantees shall be approved by Shareholders' Meeting. Any amendments shall be brought to the Shareholders' Meeting for approval.

#### Article 36

In regards to other matters not specified in this Articles of Incorporation shall be governed by the Company Law of Taiwan the Republic of China.

#### Article 37

This Articles of Incorporation are agreed to and signed on April 10<sup>th</sup>, 1998 and effective after submission to the Authority. All amendments shall be approved by the Shareholders' Meeting and submitted to the Authority for approval.

First Amendment: May 14<sup>th</sup>, 1998

Second Amendment: June 1<sup>st</sup>, 1998

Third Amendment: October 15<sup>th</sup>, 1998

Fourth Amendment: August 26<sup>th</sup>, 1999

Fifth Amendment: April 25<sup>th</sup>, 2000

Sixth Amendment: May 17<sup>th</sup>, 2001

Seventh Amendment: August 31<sup>st</sup>, 2001

Eighth Amendment: February 6<sup>th</sup>, 2002  
Ninth Amendment: June 12<sup>th</sup>, 2002  
Tenth Amendment: May 28<sup>th</sup>, 2003  
Eleventh Amendment: May 27<sup>th</sup>, 2004  
Twelfth Amendment: May 27<sup>th</sup>, 2004  
Thirteenth Amendment: May 27<sup>th</sup>, 2005  
Fourteenth Amendment: May 8<sup>th</sup>, 2006  
Fifteenth Amendment: May 8<sup>th</sup>, 2006  
Sixteenth Amendment: May 22<sup>nd</sup>, 2007  
Seventeenth Amendment: September 11<sup>th</sup>, 2007  
Eighteenth Amendment: June 13<sup>th</sup>, 2008  
Nineteenth Amendment: June 10<sup>th</sup>, 2009  
Twentieth Amendment: June 18<sup>th</sup>, 2010  
Twenty-first Amendment: June 6<sup>th</sup>, 2012  
Twenty-second Amendment: June 14<sup>th</sup>, 2016  
Twenty-third Amendment: June 13<sup>th</sup>, 2018  
Twenty-fourth Amendment: June 13<sup>th</sup>, 2019

## **Appendix III Rules for Election of Directors and Supervisors**

### **ENE TECHNOLOGY INC Rules for Election of Directors and Supervisors**

#### **Article 1**

Unless otherwise provided in the Company Law or the Articles of Incorporations of ENE TECHNOLOGY INC (the Company), directors and supervisors shall be elected in accordance with the rules specified herein.

#### **Article 2**

Election of directors and supervisors of the Company shall be held at the shareholders' meeting.

#### **Article 3**

Any competent person or legal entity that meets the requirements shall be eligible candidates for Directors or Supervisors in accordance with the Rules. Appointment for Independent Directors shall comply with regulations by the authorities.

#### **Article 4**

Total number of Directors and Supervisor of the Company shall follow the rules set in the Articles of Incorporations of the Company.

#### **Article 5**

Election of Directors (including Independent Directors) shall adopt the single ballot method. Each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons. The number of independent directors and non-independent directors shall be calculated separately and at least one of the independent directors shall be accounting or finance profession. Election of the supervisor shall follow the article 4 of the Rules.

#### **Article 6**

Number of Directors (including Independent Directors) and Supervisors shall follow the rules set in the Articles of Incorporations. Candidates who acquire more votes should win the seats of directors. If single candidate is elected as director and supervisor at the same time, then that certain individual shall decide which seat to fill. The vacant seat shall be filled by the second highest vote in line. If two or more candidates acquire the same

number of votes and the number of such candidates exceeds the specified seats available, competing candidates shall draw lots to decide who shall win the seats, and Chairman shall draw lots on behalf of the candidate who is not present in the meeting.

#### **Article 7**

The Board of Directors shall prepare the ballots for election of directors and supervisors. The ballots shall be stamped with the company seals and identify the shareholder number and the number of voting right.

#### **Article 8**

At the beginning of the election, the Chairman shall appoint several people each to check and record the ballots.

#### **Article 9**

The ballot box used for voting shall be prepared by the Company and checked in public by the appointed ballot checker before voting.

#### **Article 10**

Voters shall fill in the candidate's name and shareholder's number/ID number, and the number of votes cast for such candidate. If the candidate is a government agency or a legal entity: following rules shall be followed:

- a. If a candidate is a government agency, its full title shall be outlined clearly
- b. If a candidate is a legal entity, its full title shall be outlined clearly
- c. If a candidate is the representative of a legal entity, the full title of the legal entity and the name(s) of its representative(s) shall be outlined clearly
- d. The government agency and the representative of the legal entity shall be competent of general conduct

#### **Article 11**

Ballots shall be deemed void under the following conditions:

- a. Ballots not placed in the ballot box;
- b. Ballots not prepared by the Company;
- c. Blank ballots not completed by the voter;
- d. If the candidate is a shareholder of the Company, the name or shareholder's number of the candidate filled in the ballot is inconsistent with the shareholder's register;
- e. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
- f. Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number) and the number of votes cast for the

- candidate;
- g. Illegible writing;
- h. Any of the candidate's name, shareholder's number (ID number) or the number of votes cast for such candidate being erased or changed;
- i. The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's number (ID number) not being indicated to distinguish them.

**Article 12**

The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

**Article 13**

The Company shall issue notifications to the directors or supervisors elected.

**Article 14**

These rules and any revision thereof shall become effective after approval at the shareholder's meeting

## Appendix IV Shareholding of Directors

### ENE TEHCNOLOGY INC

#### Shareholding of Directors

Closing Date: 2022 April 11<sup>th</sup>

| Title  | Name  | Current Shareholding |
|--|---|----------------------|
| Chairman   | Jason Weng  | 562,666              |
| Director   | Siguard Microelectronics Corporation<br>Legal Representative: Chi Chan Chen | 665,543              |
| Director   | Wen Huai Tsai   | 580,851              |
| Director   | ASUSTEK Computer Inc<br>Legal Representative: Chin Ju Wu                    | 444,364              |
| Director   | Dylan Chung   | 223,489              |
| Independent Director   | Ming-Kun Hou  | 15,866               |
| Independent Director   | Yi-Fong Lin   | 0                    |
| Total holding of Directors (excluding Independent Directors): 2,476,913 shares |   |                      |

Note : 1. Actual paid-up capital: NT\$453,028,410; total share issues : 45302,841 shares  
2. The Company has allocated 2 independent directors amongst the Directors. According to the Article 26 of Securities and Exchange Act and Article 2 of Rules and Review Procedures for Director and Supervisor Shareholding Ratios at Public Companies, the minimum holding of Directors in total should be 3,624,227 shares.