

Stock Code: 6278

 **SMT Taiwan Surface Mounting Technology Corp.**

2022 Annual General Shareholder's Meeting
Meeting Agenda
(Translation)

June 17, 2022

Table of Contents

Chapter I. Meeting Procedure	01
Chapter II. Meeting Agenda	02
I. Report Items	03
II. Ratification Items	04
III. Discussion Items	05
IV. Elections	06
V. Other Matters	06
VI. Extraordinary Motions	06
Chapter III. Attachments	
I. Business Report.....	07
II. Audit Committee's Review Report	09
III. Independent Auditors' Report and 2021 Parent Company Only Financial Statements	10
IV. Independent Auditors' Report and 2021 Consolidated Financial Statements	23
V. 2021 Earnings Distribution	36
VI. Comparison between Original and Amendments to the Regulations Governing the Acquisition and Disposal of Assets.....	37
VII. Comparison between Original and Amendments to the Articles of Incorporation	45
VIII. List of Candidates of Directors and Independent Directors	49
IX. Items to be Lifted for the Non-Compete Restriction of Directors	51
Chapter IV. Appendices	
I. Rules and Procedures of Shareholders' Meeting	52
II. Articles of Incorporation (Before Amendment)	56
III. Procedures for Election of Directors.....	61
IV. Shareholding of Directors	63

Chapter I.Meeting Procedure

Taiwan Surface Mounting Technology Corp.

Meeting Procedure for 2022 Annual General Shareholders' Meeting

- I Meeting Called to Order (announcing when the quota represented by the attending shareholders satisfies the statutory requirement)
- II Chairperson Takes the Chair
- III Chairperson Remarks
- IV Report Items
- V Ratification Items
- VI Discussion Items
- VII Elections
- VIII Other Matters
- IX Extraordinary Motions
- X Adjournment

Chapter II.Meeting Agenda

Taiwan Surface Mounting Technology Corp.

Meeting Agenda of 2022 Annual General Shareholders' Meeting

Time: 9:00 a.m., Friday, June 17, 2022

Venue: 1F, No. 147, Yanping Rd., Taoyuan Dist., Taoyuan City
(Physical Shareholders' Meeting)
(Meeting Room 102, 1F, Taoyuan Womencenter)

Attendance: All shareholders and representatives

Chairperson: Wu, Kai-Yun, Chairman of the Board

- I. Chairperson Remarks
- II. Report Items
 - (I) 2021 Business Report
 - (II) Audit Committee's Review Report on the 2021 Financial Statements
 - (III) Report on the Distribution of Remuneration for Employees and Directors of 2021
- III. Ratification Items
 - Proposal 1 2021 Business Report and Financial Statements.
 - Proposal 2 2021 Earnings Distribution Proposal.
- IV. Discussion Items
 - Proposal 1 Amendments to the Regulations Governing the Acquisition and Disposal of Assets.
 - Proposal 2 Amendments to the Articles of Incorporation.
- V. Elections
 - Election of the 14th-term Board of Directors.
- VI. Other Matters
 - Lifting the non-compete restriction for the newly elected directors.
- VII. Extraordinary Motions
- VIII. Adjournment

Report Items

(I) 2021 Business Report

Description: The 2021 Business Report (Please refer to #page 7# in Attachment 1).

(II) Audit Committee's Review Report on the 2021 Financial Statements

Description: Audit Committee's Review Report (Please refer to #page 9# in Attachment 2).

(III) Report on the Distribution of Remuneration for Employees and Directors of 2021

Description:

- I. The Company proposes to distribute NT\$266,400,000 as remuneration for employees and NT\$28,000,000 as remuneration for Directors of 2021, both in cash.
- II. This proposal is approved by the 6th meeting of 4th-term Remuneration Committee on March 15, 2022 and sent to and approved by 19th meeting of the 13th-term Board of Directors on March 15, 2022.

Ratification Items

Proposal 1

Case: Ratification of the 2021 Business Report and Audited Financial Statements
(Proposed by the Board)

Description:

- I. The Company's 2021 individual and consolidated financial statements have been audited by Mr. Chiu, Chao-Hsien, and Ms. Lee, Hsiu-Ling of PricewaterhouseCoopers Taiwan.
- II. Please refer to Attachment 1 (#page 7#) and Attachment 3 ~ 4 (#pages 10 to 35#) for the business report, independent auditors' report, and financial statements.

Resolution:

Proposal 2

Case: Ratification of the Company's 2021 Earnings Distribution (Proposed by the Board)

Description:

- I. Please refer to Attachment 5 for the 2021 Earnings Distribution (#page 36#).
- II. The proposed cash dividend is NT\$1,754,390,118, and the cash dividend per share is NT\$6.0, which will be rounded down to NT\$1, and the aggregated amount of the fractional shares will be included as other revenue of the Company.
- III. After the proposal for the distribution of cash dividend has been approved by the annual shareholders' meeting, the Board of Directors will be authorized to stipulate the ex-dividend date and other related matters.
- IV. If the number of outstanding shares has changed and caused an impact on the dividend yield, it is proposed that the shareholders' meeting should authorize the Chairman of the Board to draft the total amount of earnings subject to distribution based on the number of common shares of the latest shareholders' meeting resolution, and adjust the yield base on the actual number of outstanding shares on the record date.

Resolution:

Discussion Items

Proposal 1

Case: Amendments to the Regulations Governing the Acquisition and Disposal of Assets. (Proposed by the Board)

Description:

- I. Proposal for the amendments to the Regulations Governing the Acquisition and Disposal of Assets in compliance with the amendment of the law.
- II. (II) Please refer to Attachment 6 (#pages 37 to 44#) for the Comparison between Original and Amendments to the Regulations Governing the Acquisition and Disposal of Assets.

Resolution:

Proposal 2

Case: Proposal for the amendments to the Articles of Incorporation. (Proposed by the Board)

Description:

- I. Proposal for the amendments to the Articles of Incorporation in compliance with the current law and regulation as well as enhancing the performance of corporate governance.
- II. Please refer to Attachment 7 (#pages 45 to 48#) for the Comparison between Original and Amendments to the Articles of Incorporation.

Resolution:

Elections

Case: Election of the 14th-term Board of Directors. (Proposed by the Board)

Description:

- I. The tenure of the 13th-term Board of Directors of the Company will expire on June 12, 2022. Pursuant to the Company's Articles of Incorporation, 10 directors of the 14th-term Board of Directors (including 3 independent directors) will be elected. The new directors will take office after they are elected, and the current directors will be dismissed at the same time. The term of office is three years, from June 17, 2022 to June 16, 2025.
- II. The election of directors of the Company adopts the candidates nomination system. Shareholders shall elect candidates from the list of candidates of directors and independent directors. For their educational background, experience and other relevant information, please refer to Attachment 8 (#pages 49 to 50#).

Election result:

Other Matters

Case: Lifting the non-compete restriction for the newly elected directors. (Proposed by the Board)

Description:

- I. Pursuant to Article 209 of the Company act, directors who do anything for themselves or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. For the Company's requirements of overall business development, it is proposed to lift the non-compete restriction for the newly elected directors of the current term. Please refer to Attachment 9 (#page 51#) for the items on the lifting of non-compete restriction for directors.

Resolution:

Extraordinary Motions

Adjournment

Attachment I

Taiwan Surface Mounting Technology Corp.

Business Report

I 2021 Business Report:

2021 is a challenging year for the Company, but also a year of significant growth and progress. Since 2019, the Company's revenue and net profit after tax have continued to grow for three consecutive years, and 2021 is an especially fruitful year. The operating results such as operating income, operating gross profit, operating net profit, and net profit after tax all have reached the highest amount ever.

(I) The Company's consolidated operating income in 2021 was NT\$65,720,492 thousand, an increase of 58.72% compared with the consolidated operating income of NT\$41,405,758 thousand in 2020, and its after-tax consolidated net profit in 2021 was NT\$3,713,185 thousand, an increase of 69.26% compared with the after-tax consolidated net profit of NT\$2,193,738 thousand in 2020; the basic EPS in 2021 was NT\$12.70, the highest since the Company became a listed company.

(II) The state of research and development:

The Company is committed to the improvement of SMT production processes, the development and introduction of techniques of advanced production processes, and the continuous expansion of the sources of excellent talents and their recruitment, thereby enhancing the manufacturing capabilities and R & D capabilities of high-end electronic products and key technologies to strive for business opportunities in the processing and manufacturing of various high-end electronic products, and aim for diverse and high value-added product portfolio and production technology capabilities.

II Outline of 2022 Business Plan:

(I) Business policy

1. Maintaining the promotion of various automated and intelligent manufacturing processes, enhancing production efficiency and technical capabilities, and implementing various systematic and target management.
2. Continuously innovate, change and improve manufacturing technology and reduce costs to enhance the overall competitiveness of the Company.
3. Paying close attention to the technological and innovative trend of electronics technology, making early strategic arrangement and launching projects at appropriate timing to drive the development of business growth.
4. Uphold the spirit of integrity, speed and attitude, and provide customers with the best production and service solutions in terms of delivery and quality.

(II) Important Production and Sales Strategies

1. Maintain the global strategic planning and widely distribute the products, clients and production bases to reduce the operation risk of centralized production and sales.

2. Continuing to invest in the development of advanced process technologies to reduce the operational risks which may arise from the life cycles and upgrading of consumer electronics.
3. Strengthen supply chain platform management and customer relationship maintenance, thereby enhancing the overall response capability of the Company.

III Future prospects:

In the future, the Company will continue to improve the flexibility and efficiency of its operating methods in response to the demands of various products and market characteristics of the clients to provide customers with more complete services. In addition, in the face of much uncertainty in the face of global economic and industrial changes, the Company will enhance the flexibility of regional production capacity, core technical capabilities and execution capabilities to face different technological integration and challenges with solid financial structures.

We hereby sincerely thank all shareholders, customers and suppliers for their support and recognition of the Company. The Company's management team and staff will uphold the spirit of integrity, speed and attitude, and continue to improve the Company's operating efficiency and profitability, and maintain stable and sustainable operations.

Attachment II

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements and Proposal for Earnings Appropriation, among which the Financial Statements have been audited by PricewaterhouseCoopers Taiwan, by whom an audit report has been issued accordingly. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, it is hereby submitted for your review and perusal.

To

2022 Annual General Shareholders' Meeting

Taiwan Surface Mounting Technology Corp.

Convener of the Audit Committee:

Chen, Meng-Ping

March 15, 2022

Attachment III

Independent Auditors' Report and 2021 Parent Company Only Financial Statements

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Taiwan Surface Mounting Technology Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan Surface Mounting Technology Corp. (the “Company”) as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and 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 at 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” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the parent company only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards 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 Accountants in 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 of 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, we do not provide a separate opinion on these matters.

Key audit matters for Company's parent company only financial statements of the current period are stated as follows:

Existence of revenues of the newly top 10 significant customers

Description

Please refer to Note 4(24) for accounting policy on recognition of revenue and Note 6(17) for details of sales revenue.

Considering that the customers' demand has changed, the Company adjusted its product type. There were changes in sales customers resulting from changes in market demand and the introduction of new products. As the sales revenue from the newly top 10 significant customers are significant to the parent company only financial statements, we consider the existence of sales revenue from the newly top 10 significant customers a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on the above key audit matter:

- A. Obtained the evaluation data of the newly top 10 significant customers, completed an understanding of the Company's transaction counterparties and assessed new transaction counterparties based on the internal controls.
- B. Obtained detailed listing of sales revenue, performed detailed tests for the newly top 10 significant customers and verified relevant evidences including customer sales invoices, purchase orders and delivery documents.
- C. Inspected contents and relevant evidences of the newly top 10 significant customers in relation to sales returns and discounts occurring subsequent to the reporting period and assessed the reasonableness of respective sales revenue recognised.

Valuation of allowance for inventory valuation losses

Description

For a description of the accounting policy on inventory valuation, please refer to Note 4(11); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2); and for information on the allowance for inventory valuation losses, please refer to Note 6(6).

As of December 31, 2021, the Company's inventories and allowance for inventory valuation losses amounted to NT \$1,060,881 thousand and NT \$61,443 thousand, respectively. The Company is primarily engaged in design, processing, manufacturing and trading of TFT-LCD panels, general electronic information products and PCB surface mount packaging. In addition, the Company also manufactured made-to-order products. Most of the customers designated the Company to purchase and process materials, which were needed to manufacture the electronic products. Taking into consideration that those products have short life spans and are affected by the fluctuating market price of TFT-LCD panels, there is a higher risk of inventory losses due to market value decline or obsolescence. Inventories are stated at the lower of cost and net realisable value. The net realisable value which was used in the individual identification and valuation of allowance for inventory valuation losses, involved subjective judgment and uncertainty of estimation. As the Company's inventory and allowance for inventory valuation losses are significant to financial statements, as well as being significant to the Company's subsidiaries, which are recognised as investments accounted for using equity method, we identified inventory valuation loss as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Assessed the reasonableness of policies and procedures related to the provision of allowance for inventory valuation losses based on our understanding of the Company's operations and the characteristics of its industry.
- B. Understood the Company's warehousing control procedures. Reviewed the annual physical inventory count plan and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
- C. Verified whether the inventory aging report that were used to assess obsolete and slow-moving inventories was correct, including changes in inventories being classified according to inventory aging.
- D. Checked the appropriateness of the estimation basis adopted by the Company for the evaluation of net realisable value, verified accuracy of inventory selling and purchase prices and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the

Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards 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 generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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 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 of the current period 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.

CHIU, CHAO-HSIEN

LEE, HSIU-LING

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,385,015	9	\$ 2,176,031	10
1136	Current financial assets at amortised cost	6(4)	414,863	1	497,830	2
1170	Accounts receivable, net	6(5)	7,307,765	19	845,030	4
1180	Accounts receivable - related parties	7	45,794	-	9,210	-
1200	Other receivables		23,160	-	32,652	-
1210	Other receivables - related parties	7	5,989,043	15	205,249	1
130X	Inventories	6(6)	999,438	3	596,272	3
1410	Prepayments		63,706	-	50,038	-
11XX	Current Assets		<u>18,228,784</u>	<u>47</u>	<u>4,412,312</u>	<u>20</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	246,107	1	266,039	1
1550	Investments accounted for under equity method	6(7)	18,343,165	48	15,586,834	71
1600	Property, plant and equipment	6(8)	1,613,043	4	1,644,218	7
1755	Right-of-use assets	6(9)	17,418	-	27,885	-
1840	Deferred income tax assets	6(24)	34,616	-	28,737	-
1920	Guarantee deposits paid		1,630	-	1,730	-
1990	Other non-current assets, others		43,084	-	138,737	1
15XX	Non-current assets		<u>20,299,063</u>	<u>53</u>	<u>17,694,180</u>	<u>80</u>
1XXX	Total assets		<u>\$ 38,527,847</u>	<u>100</u>	<u>\$ 22,106,492</u>	<u>100</u>

(Continued)

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	\$ 4,539,660	12	\$ 3,100,000	14
2130	Current contract liabilities	6(17)	122,649	-	-	-
2150	Notes payable		13,907	-	19,136	-
2170	Accounts payable		4,401,785	11	1,432,418	7
2180	Accounts payable - related parties	7	9,576,501	25	300,985	1
2200	Other payables		775,474	2	515,398	2
2220	Other payables - related parties	7	-	-	484	-
2230	Current income tax liabilities	6(24)	181,152	1	44,645	-
2280	Current lease liabilities		10,496	-	10,378	-
2320	Long-term liabilities, current portion	6(12)	-	-	320,000	2
2399	Other current liabilities, others		120,515	-	11,344	-
21XX	Current Liabilities		<u>19,742,139</u>	<u>51</u>	<u>5,754,788</u>	<u>26</u>
	Non-current liabilities					
2540	Long-term borrowings	6(12)	1,700,000	5	1,820,000	8
2570	Deferred income tax liabilities	6(24)	1,058,560	3	911,749	4
2580	Non-current lease liabilities		7,037	-	17,532	-
2640	Net defined benefit liability, non-current	6(13)	76,916	-	82,828	1
2645	Guarantee deposits received		30	-	30	-
2650	Credit balance of investments accounted for using equity method	6(7)	83,596	-	29,083	-
25XX	Non-current liabilities		<u>2,926,139</u>	<u>8</u>	<u>2,861,222</u>	<u>13</u>
2XXX	Total Liabilities		<u>22,668,278</u>	<u>59</u>	<u>8,616,010</u>	<u>39</u>
	Equity					
	Share capital	6(14)				
3110	Share capital - common stock		2,923,984	8	2,923,984	13
	Capital surplus	6(15)				
3200	Capital surplus		2,515,112	6	2,515,059	12
	Retained earnings	6(16)				
3310	Legal reserve		1,837,594	5	1,620,061	7
3320	Special reserve		1,913,137	5	1,315,055	6
3350	Unappropriated retained earnings		8,289,255	21	6,729,459	30
	Other equity interest					
3400	Other equity interest		(1,619,513)	(4)	(1,613,136)	(7)
3XXX	Total equity		<u>15,859,569</u>	<u>41</u>	<u>13,490,482</u>	<u>61</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 38,527,847</u>	<u>100</u>	<u>\$ 22,106,492</u>	<u>100</u>

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(17) and 7	\$ 24,055,932	100	\$ 6,770,049	100
5000 Operating costs	6(6)(22)(23) and 7	(22,425,716)	(93)	(5,998,688)	(89)
5900 Net operating margin		<u>1,630,216</u>	<u>7</u>	<u>771,361</u>	<u>11</u>
Operating expenses	6(22)(23)				
6100 Selling expenses		(47,209)	-	(40,091)	(1)
6200 General and administrative expenses		(527,406)	(2)	(374,982)	(5)
6300 Research and development expenses		(85,072)	(1)	(115,110)	(2)
6000 Total operating expenses		(659,687)	(3)	(530,183)	(8)
6900 Operating profit		<u>970,529</u>	<u>4</u>	<u>241,178</u>	<u>3</u>
Non-operating income and expenses					
7100 Interest income	6(18)	1,525	-	4,146	-
7010 Other income	6(19) and 7	58,482	-	111,109	2
7020 Other gains and losses	6(20)	(67,033)	-	(74,937)	(1)
7050 Finance costs	6(21)	(38,569)	-	(34,825)	(1)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	<u>3,116,508</u>	<u>13</u>	<u>2,066,974</u>	<u>31</u>
7000 Total non-operating income and expenses		<u>3,070,913</u>	<u>13</u>	<u>2,072,467</u>	<u>31</u>
7900 Profit before income tax		4,041,442	17	2,313,645	34
7950 Income tax expense	6(24)	(328,257)	(1)	(119,907)	(2)
8000 Profit for the year from continuing operations		<u>3,713,185</u>	<u>16</u>	<u>2,193,738</u>	<u>32</u>
8200 Profit for the year		<u>\$ 3,713,185</u>	<u>16</u>	<u>\$ 2,193,738</u>	<u>32</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Actuarial gains (losses) on defined benefit plan	6(13)	\$ 5,864	-	(\$ 18,407)	-
8316 Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(19,932)	-	(12,132)	-
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)	<u>3,519</u>	-	<u>-</u>	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		(10,549)	-	(30,539)	-
Components of other comprehensive loss that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(7)	(368,688)	(2)	(585,950)	(9)
8360 Components of other comprehensive loss that will be reclassified to profit or loss		(368,688)	(2)	(585,950)	(9)
8300 Other comprehensive loss for the year		(\$ 379,237)	(2)	(\$ 616,489)	(9)
8500 Total comprehensive income for the year		<u>\$ 3,333,948</u>	<u>14</u>	<u>\$ 1,577,249</u>	<u>23</u>
Basic earnings per share	6(25)				
9750 Total basic earnings per share		<u>\$</u>	<u>12.70</u>	<u>\$</u>	<u>7.50</u>
Diluted earnings per share	6(25)				
9850 Total diluted earnings per share		<u>\$</u>	<u>12.59</u>	<u>\$</u>	<u>7.46</u>

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Retained Earnings			Other equity interest		Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
Year 2020									
Balance at January 1, 2020		\$ 2,923,984	\$ 2,515,001	\$ 1,416,844	\$ 827,907	\$ 6,063,207	(\$ 612,587)	(\$ 402,467)	\$ 12,731,889
Profit (loss) for the year		-	-	-	-	2,193,738	-	-	2,193,738
Other comprehensive loss for the year		-	-	-	-	(18,407)	(585,950)	(12,132)	(616,489)
Total comprehensive income (loss)		-	-	-	-	2,175,331	(585,950)	(12,132)	1,577,249
Appropriation and distribution of 2019 retained earnings:									
Legal reserve		-	-	203,217	-	(203,217)	-	-	-
Special reserve		-	-	-	487,148	(487,148)	-	-	-
Cash dividends		-	-	-	-	(818,714)	-	-	(818,714)
Unclaimed dividends past due	6(15)	-	58	-	-	-	-	-	58
Balance at December 31, 2020		\$ 2,923,984	\$ 2,515,059	\$ 1,620,061	\$ 1,315,055	\$ 6,729,459	(\$ 1,198,537)	(\$ 414,599)	\$ 13,490,482
Year 2021									
Balance at January 1, 2021		\$ 2,923,984	\$ 2,515,059	\$ 1,620,061	\$ 1,315,055	\$ 6,729,459	(\$ 1,198,537)	(\$ 414,599)	\$ 13,490,482
Profit for the year		-	-	-	-	3,713,185	-	-	3,713,185
Other comprehensive income (loss) for the year		-	-	-	-	5,864	(368,688)	(16,413)	(379,237)
Total comprehensive income (loss)		-	-	-	-	3,719,049	(368,688)	(16,413)	3,333,948
Appropriation and distribution of 2020 retained earnings:									
Legal reserve		-	-	217,533	-	(217,533)	-	-	-
Special reserve		-	-	-	598,082	(598,082)	-	-	-
Cash dividends		-	-	-	-	(964,914)	-	-	(964,914)
Unclaimed dividends past due	6(15)	-	53	-	-	-	-	-	53
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	(378,724)	-	378,724	-
Balance at December 31, 2021		\$ 2,923,984	\$ 2,515,112	\$ 1,837,594	\$ 1,913,137	\$ 8,289,255	(\$ 1,567,225)	(\$ 52,288)	\$ 15,859,569

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 4,041,442	\$ 2,313,645
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right-of-use assets)	6(8)(9)	167,629	137,330
Loss impairment on property, plant and equipment	6(20)	10,141	-
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(3,116,508)	(2,066,974)
Gain on disposal of property, plant and equipment	6(20)	(513)	(238)
Interest income	6(18)	(1,525)	(4,146)
Interest expense	6(21)	38,569	34,825
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	(254)
Accounts receivable, net		(6,462,735)	227,084
Accounts receivable - related parties		(36,584)	17,963
Other receivables		8,947	84,540
Other receivables - related parties		(5,783,794)	(142,048)
Inventories		(403,166)	14,755
Prepayments		(13,668)	(12,842)
Changes in operating liabilities			
Current contract liabilities		122,649	-
Notes payable		(5,229)	14,329
Accounts payable		2,969,367	(334,356)
Accounts payable - related parties		9,275,516	278,701
Other payables		265,668	128,898
Other payables - related parties		(484)	(2,557)
Other current liabilities, others		109,171	5,233
Net defined benefit liabilities - non-current		(48)	(26)
Cash inflow generated from operations		1,184,845	693,862
Interest received		2,070	4,445
Dividends received	6(7)	303,286	592,260
Interest paid		(39,669)	(33,294)
Income taxes paid		(50,818)	(221,719)
Net cash flows from operating activities		<u>1,399,714</u>	<u>1,035,554</u>

(Continued)

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost	6(4)	\$ -	(\$ 585,800)
Proceeds from repayments of financial asset at amortised cost		82,967	470,596
Acquisition of investments accounted for using equity method	6(7)	(253,765)	(280,912)
Acquisition of property, plant and equipment	6(26)	(60,128)	(275,268)
Proceeds from disposal of property, plant and equipment	6(8)	24,591	34,199
Decrease in refundable deposits		100	1,855
Increase in other non-current assets		(8,917)	(54,198)
Net cash flows used in investing activities		(215,152)	(689,528)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		11,589,660	8,090,000
Decrease in short-term borrowings		(10,150,000)	(7,140,000)
Proceeds from long-term borrowings		1,200,000	2,400,000
Repayments of long-term borrowings		(1,640,000)	(1,360,000)
Cash dividends paid	6(16)	(964,914)	(818,714)
Unclaimed dividends past due	6(15)	53	58
Repayments of principal portion of lease liabilities		(10,377)	(4,327)
Net cash flows from financing activities		24,422	1,167,017
Net increase in cash and cash equivalents		1,208,984	1,513,043
Cash and cash equivalents at beginning of year		2,176,031	662,988
Cash and cash equivalents at end of year		\$ 3,385,015	\$ 2,176,031

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

Attachment IV

Independent Auditors' Report and 2021 Consolidated Financial Statement

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Taiwan Surface Mounting Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Surface Mounting Technology Corp. and subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Existence of revenues of the newly top 10 significant customers

Description

Please refer to Note 4(27) for accounting policy on recognition of revenue and Note 6(18) for details of sales revenue.

Considering that the customers' demand has changed, the Group adjusted its product type. There were changes in sales customers resulting from changes in market demand and introduction of new products. As the sales revenue from the newly top 10 significant customers are significant to the consolidated financial statements, we consider the existence of sales revenue from the newly top 10 significant customers a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on the above key audit matter:

- A. Obtained the evaluation data of the newly top 10 significant customers, completed an understanding of the Group's transaction counterparties, and assessed new transaction counterparties based on the internal controls.
- B. Obtained detailed listing of sales revenue, performed detailed tests for the newly top 10 significant customers and verified relevant evidences including customer sales invoices, purchase orders and delivery documents.
- C. Inspected contents and relevant evidences of the newly top 10 significant customers in relation to sales returns and discounts occurring subsequent to the reporting period and assessed the reasonableness of respective sales revenue recognised.

Valuation of allowance for inventory valuation losses

Description

For a description of the accounting policy on inventory valuation, please refer to Note 4(13); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2); and for information on the allowance for inventory valuation losses, please refer to Note 6(6).

As of December 31, 2021, the Group's inventories and allowance for inventory valuation losses amounted to NT\$6,127,151 thousand and NT\$278,622 thousand, respectively. The Group is primarily engaged in design, processing, manufacturing, and trading of TFT-LCD panels, general electronic information products and PCB surface mount packaging. In addition, the Group also manufactured made-to-order products. Most of the customers designated the Group to purchase and process materials, which were needed to manufacture the electronic products. Taking into consideration that those products have short life spans and are affected by the fluctuating market price of TFT-LCD panels, there is a higher risk of inventory losses due to market value decline or obsolescence. Inventories are stated at the lower of cost and net realisable value. The net realisable value which was used in the individual identification and valuation of allowance for inventory valuation losses, involved subjective judgment and uncertainty of estimation. The Group's inventory and allowance for inventory valuation losses are significant to the consolidated financial statements. Thus, we identified the valuation of allowance for inventory valuation loss as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Assessed the reasonableness of policies and procedures related to the provision of allowance for inventory valuation losses based on our understanding of the Group's operations and the characteristics of its industry.
- B. Understood the Group's warehousing control procedures. Reviewed the annual physical inventory count plan and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.

- C. Verified whether the inventory aging report that were used to assess obsolete and slow-moving inventories was correct, including changes in inventories being classified according to inventory aging.
- D. Checked the appropriateness of the estimation basis adopted by the Group for the evaluation of net realisable value, verified accuracy of inventory selling and purchase prices and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Taiwan Surface Mounting Technology Corp. as at and for the years ended December 31, 2021 and 2020.

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

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

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

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

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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 of the current period 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.

CHIU, CHAO-HSIEN

LEE, HSIU-LING

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 8,222,410	15	\$ 7,659,898	20
1110	Financial assets at fair value through profit or loss - current	6(2)	950,785	2	995,178	3
1136	Current financial assets at amortised cost	6(4)	649,855	1	1,030,752	3
1170	Accounts receivable, net	6(5)	22,177,919	40	12,934,273	34
1180	Accounts receivable - related parties	7	278	-	874	-
1200	Other receivables		62,293	-	88,900	-
130X	Inventories	6(6)	5,848,529	11	3,266,001	9
1410	Prepayments		631,073	1	472,933	1
1479	Other current assets, others		824	-	794	-
11XX	Current Assets		<u>38,543,966</u>	<u>70</u>	<u>26,449,603</u>	<u>70</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	252,620	-	272,586	1
1550	Investments accounted for under equity method	6(7)	198	-	5,670	-
1600	Property, plant and equipment	6(8)	12,669,565	23	8,738,159	23
1755	Right-of-use assets	6(9)	717,918	1	415,607	1
1840	Deferred income tax assets	6(25)	213,596	-	59,895	-
1915	Prepayments for business facilities		2,221,135	4	1,725,364	4
1990	Other non-current assets, others		834,611	2	362,802	1
15XX	Non-current assets		<u>16,909,643</u>	<u>30</u>	<u>11,580,083</u>	<u>30</u>
1XXX	Total assets		<u>\$ 55,453,609</u>	<u>100</u>	<u>\$ 38,029,686</u>	<u>100</u>

(Continued)

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 8,681,475	16	\$ 4,011,925	11
2130	Current contract liabilities	6(18)	122,649	-	-	-
2150	Notes payable		13,907	-	19,136	-
2170	Accounts payable		21,370,093	39	12,773,971	34
2180	Accounts payable - related parties	7	-	-	104,765	-
2200	Other payables	6(12)	2,975,016	5	1,961,634	5
2230	Current income tax liabilities	6(25)	993,397	2	568,990	1
2280	Current lease liabilities		156,835	-	27,939	-
2320	Long-term liabilities, current portion	6(13)	238,325	-	621,034	2
2399	Other current liabilities, others		291,527	1	84,244	-
21XX	Current Liabilities		<u>34,843,224</u>	<u>63</u>	<u>20,173,638</u>	<u>53</u>
Non-current liabilities						
2540	Long-term borrowings	6(13)	2,530,400	5	2,674,400	7
2570	Deferred income tax liabilities	6(25)	1,903,925	3	1,560,088	4
2580	Non-current lease liabilities		227,058	-	25,043	-
2600	Other non-current liabilities		95,954	-	101,163	1
25XX	Non-current liabilities		<u>4,757,337</u>	<u>8</u>	<u>4,360,694</u>	<u>12</u>
2XXX	Total Liabilities		<u>39,600,561</u>	<u>71</u>	<u>24,534,332</u>	<u>65</u>
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(15)	2,923,984	5	2,923,984	8
Capital surplus						
3200	Capital surplus	6(16)	2,515,112	4	2,515,059	6
Retained earnings						
3310	Legal reserve	6(17)	1,837,594	4	1,620,061	4
3320	Special reserve		1,913,137	4	1,315,055	3
3350	Unappropriated retained earnings		8,289,255	15	6,729,459	18
Other equity interest						
3400	Other equity interest		(1,619,513)	(3)	(1,613,136)	(4)
31XX	Equity attributable to owners of the parent		<u>15,859,569</u>	<u>29</u>	<u>13,490,482</u>	<u>35</u>
36XX	Non-controlling interest		(6,521)	-	4,872	-
3XXX	Total equity		<u>15,853,048</u>	<u>29</u>	<u>13,495,354</u>	<u>35</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 55,453,609</u>	<u>100</u>	<u>\$ 38,029,686</u>	<u>100</u>

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(18) and 7	\$ 65,720,492	100	\$ 41,405,758	100
5000	Operating costs	6(6)(23)(24) and 7	(57,616,895)	(88)	(36,396,409)	(88)
5900	Net operating margin		8,103,597	12	5,009,349	12
	Operating expenses	6(23)(24)				
6100	Selling expenses		(285,473)	(1)	(232,532)	(1)
6200	General and administrative expenses		(1,588,463)	(2)	(1,184,885)	(3)
6300	Research and development expenses		(1,449,605)	(2)	(1,038,095)	(2)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(78,404)	-	(53,772)	-
6000	Total operating expenses		(3,401,945)	(5)	(2,509,284)	(6)
6900	Operating profit		4,701,652	7	2,500,065	6
	Non-operating income and expenses					
7100	Interest income	6(19)	28,517	-	59,361	-
7010	Other income	6(20)	367,270	1	346,511	1
7020	Other gains and losses	6(21)	(68,534)	-	40,020	-
7050	Finance costs	6(22)	(99,196)	-	(53,026)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(7)	(5,472)	-	(5,054)	-
7000	Total non-operating income and expenses		222,585	1	387,812	1
7900	Profit before income tax		4,924,237	8	2,887,877	7
7950	Income tax expense	6(25)	(1,224,087)	(2)	(699,628)	(2)
8000	Profit for the year from continuing operations		3,700,150	6	2,188,249	5
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gain or (loss) on defined benefit plan	6(14)	5,864	-	(18,407)	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(16,413)	-	(12,132)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(10,549)	-	(30,539)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(367,046)	(1)	(586,112)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss		(367,046)	(1)	(586,112)	(1)
8300	Total other comprehensive loss for the year		(\$ 377,595)	(1)	(\$ 616,651)	(1)
8500	Total comprehensive income for the year		\$ 3,322,555	5	\$ 1,571,598	4
	Profit (loss), attributable to:					
8610	Owners of the parent		\$ 3,713,185	6	\$ 2,193,738	5
8620	Non-controlling interest		(13,035)	-	(5,489)	-
			\$ 3,700,150	6	\$ 2,188,249	5
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 3,333,948	5	\$ 1,577,249	4
8720	Non-controlling interest		(11,393)	-	(5,651)	-
			\$ 3,322,555	5	\$ 1,571,598	4
	Basic earnings per share	6(26)				
9750	Total basic earnings per share		\$	12.70	\$	7.50
	Diluted earnings per share	6(26)				
9850	Total diluted earnings per share		\$	12.59	\$	7.46

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											
	Notes	Retained Earnings					Other equity interest			Total	Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
Year 2020												
Balance at January 1, 2020		\$ 2,923,984	\$ 2,515,001	\$ 1,416,844	\$ 827,907	\$ 6,063,207	(\$ 612,587)	(\$ 402,467)	\$ 12,731,889	\$ 10,523	\$ 12,742,412	
Profit (loss) for the year		-	-	-	-	2,193,738	-	-	2,193,738	(5,489)	2,188,249	
Other comprehensive loss for the year		-	-	-	-	(18,407)	(585,950)	(12,132)	(616,489)	(162)	(616,651)	
Total comprehensive income (loss)		-	-	-	-	2,175,331	(585,950)	(12,132)	1,577,249	(5,651)	1,571,598	
Appropriation and distribution of 2019 retained earnings:												
Legal reserve		-	-	203,217	-	(203,217)	-	-	-	-	-	
Special reserve		-	-	-	487,148	(487,148)	-	-	-	-	-	
Cash dividends		-	-	-	-	(818,714)	-	-	(818,714)	-	(818,714)	
Unclaimed dividends past due	6(16)	-	58	-	-	-	-	-	58	-	58	
Balance at December 31, 2020		\$ 2,923,984	\$ 2,515,059	\$ 1,620,061	\$ 1,315,055	\$ 6,729,459	(\$ 1,198,537)	(\$ 414,599)	\$ 13,490,482	\$ 4,872	\$ 13,495,354	
Year 2021												
Balance at January 1, 2021		\$ 2,923,984	\$ 2,515,059	\$ 1,620,061	\$ 1,315,055	\$ 6,729,459	(\$ 1,198,537)	(\$ 414,599)	\$ 13,490,482	\$ 4,872	\$ 13,495,354	
Profit (loss) for the year		-	-	-	-	3,713,185	-	-	3,713,185	(13,035)	3,700,150	
Other comprehensive income (loss) for the year		-	-	-	-	5,864	(368,688)	(16,413)	(379,237)	1,642	(377,595)	
Total comprehensive income (loss)		-	-	-	-	3,719,049	(368,688)	(16,413)	3,333,948	(11,393)	3,322,555	
Appropriation and distribution of 2020 retained earnings:												
Legal reserve		-	-	217,533	-	(217,533)	-	-	-	-	-	
Special reserve		-	-	-	598,082	(598,082)	-	-	-	-	-	
Cash dividends		-	-	-	-	(964,914)	-	-	(964,914)	-	(964,914)	
Unclaimed dividends past due	6(16)	-	53	-	-	-	-	-	53	-	53	
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	(378,724)	-	378,724	-	-	-	
Balance at December 31, 2021		\$ 2,923,984	\$ 2,515,112	\$ 1,837,594	\$ 1,913,137	\$ 8,289,255	(\$ 1,567,225)	(\$ 52,288)	\$ 15,859,569	(\$ 6,521)	\$ 15,853,048	

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

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 4,924,237	\$ 2,887,877
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss	6(23) and 12(2)	78,404	53,772
Depreciation expense (including right-of-use assets)	6(8)(9)(23)	1,596,616	880,871
Impairment loss/ (gain) on reversal of impairment loss on financial assets	6(8)(10)(21)	118,584	(39,624)
Interest income	6(19)	(28,517)	(59,361)
Interest expense	6(22)	99,196	53,026
Losses on disposals of property, plant and equipment	6(21)	100,337	82,776
Income from subleasing right-of-use assets	6(9)(21)	(22,212)	-
Share of loss of associates and joint ventures accounted for using equity method		5,472	5,054
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		-	2,002
Accounts receivable, net		(9,313,578)	(466,115)
Accounts receivable - related parties		596	(864)
Other receivables		28,020	195,852
Inventories		(2,622,482)	(127,445)
Prepayments		(158,140)	(228,176)
Other current assets, others		(30)	(107)
Changes in operating liabilities			
Current contract liabilities		122,649	-
Notes payable		(5,229)	14,014
Accounts payable		8,596,122	177,974
Accounts payable - related parties		(104,765)	(5,268)
Other payables		972,252	562,184
Other current liabilities, others		207,283	(34,764)
Cash inflow generated from operations		4,594,815	3,953,678
Interest received		27,104	66,420
Interest paid		(100,245)	(51,762)
Income taxes paid		(585,045)	(544,026)
Net cash flows from operating activities		3,936,629	3,424,310

(Continued)

TAIWAN SURFACE MOUNTING TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in valuation of financial assets at fair value through profit or loss		\$ 44,393	(\$ 32,788)
Proceeds from disposal of financial assets at fair value through other comprehensive income		3,519	-
Acquisition of investments accounted for using equity method		-	(9,000)
Acquisition of financial assets at amortised cost		(236,662)	(1,041,093)
Proceeds from repayments of financial assets at amortised cost		615,057	1,312,970
Acquisition of property, plant and equipment	6(27)	(4,076,465)	(2,835,557)
Proceeds from disposal of property, plant and equipment	6(8)	26,684	64,166
Acquisition of use-of-right assets		-	(66,030)
Proceeds from disposal of right-of-use assets		31,697	-
Increase in prepayments for business facilities		(2,236,377)	(1,703,908)
Increase in other non-current assets		(331,403)	(1,384)
Increase in refundable deposits		(19,793)	(6,678)
Net cash flows used in investing activities		(6,179,350)	(4,319,302)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	21,694,566	9,503,966
Repayments of short-term borrowings	6(28)	(16,987,673)	(7,631,106)
Cash dividends paid	6(17)	(964,914)	(818,714)
Proceeds from long-term borrowings	6(28)	1,200,000	3,286,195
Repayments of long-term debt	6(28)	(1,694,900)	(1,595,218)
Increase in other non-current liabilities	6(28)	655	6,145
Unclaimed dividends past due	6(16)	53	58
Repayments of principal portion of lease liabilities	6(28)	(95,124)	(17,093)
Net cash flows from financing activities		3,152,663	2,734,233
Effect of exchange rate changes on cash and cash equivalents		(347,430)	(373,204)
Net increase in cash and cash equivalents		562,512	1,466,037
Cash and cash equivalents at beginning of year	6(1)	7,659,898	6,193,861
Cash and cash equivalents at end of year	6(1)	<u>\$ 8,222,410</u>	<u>\$ 7,659,898</u>

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

Attachment V

Taiwan Surface Mounting Technology Corp.

2021 Earnings Distribution

Unit: NT\$

Item	Sub-total	Total
Retained earnings available for distribution for distribution at the beginning of 2021		\$ 4,948,929,789
Add: 2021 actuarial gains of defined benefit plans	5,864,229	
Less: Disposal of equity instrument measured at fair value through other comprehensive income in 2021	(378,724,431)	
Retained earnings available for distribution after adjustment		4,576,069,587
Add: Net Income after tax of 2021	3,713,185,278	
Less: 10% legal capital reserve	(334,032,508)	
Less: Amount appropriated as special reserve	(6,375,650)	3,372,777,120
Accumulated distributable earnings		\$ 7,948,846,707
Allocation items:		
Cash dividends of common stock (NT\$6.0 per share)	(1,754,390,118)	(1,754,390,118)
Undistributed earnings at the end of the period		\$ 6,194,456,589

Note 1: For this case, the yield had been calculated in accordance with the current outstanding shares of 292,398,353 shares.

Note 2: If the number of outstanding shares has changed and caused an impact on the dividend yield, it is proposed that the shareholders' meeting should authorize the Chairman of the Board to draft the total amount of earnings subject to distribution based on the number of common shares of the latest shareholders' meeting resolution, and adjust the yield base on the actual number of outstanding shares on the record date.

Note 3: The calculation was rounded down to the closest dollar and the sum of changes was included in other revenue of the Company.

Attachment VI

Taiwan Surface Mounting Technology Corp. Comparison between Original and Amendments to the Regulations Governing the Acquisition and Disposal of Assets

No.	Original Version	Amended Version	Revision description
V	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be</p>	<p>Amended in compliance with the laws and regulations.</p>

No.	Original Version	Amended Version	Revision description
	<p>related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>completeness, correctness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and correct</u>, and that they have complied with applicable laws and</p>	<p>related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply <u>with the self-regulatory rules of the industry associations to which they belong and</u></p> <p>with the following provisions:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and</p>	

No.	Original Version	Amended Version	Revision description
	regulations.	regulations.	
VIII	<p>Appraisal and operating procedures for the acquisition or disposal of securities</p> <p>I. (Not amended; omitted).</p> <p>II. Opinions issued by entrusted experts</p> <p>When acquiring or disposing of securities, if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>When using the report of an expert, the certified public accountant shall do so in accordance with Statement of Auditing Standards No. 20 issued by Accounting Research and Development Foundation.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authority.</p>	<p>Appraisal and operating procedures for the acquisition or disposal of securities</p> <p>I. (Not amended; omitted).</p> <p>II. Opinions issued by entrusted experts</p> <p>When acquiring or disposing of securities, if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authority.</p>	Amended in compliance with the laws and regulations.
IX	<p>Appraisal and operating procedures for the acquisition or disposal of real property, equipment or right-of-use assets thereof</p> <p>I. (Not amended; omitted).</p> <p>II. Appraisal report issued by entrusted experts</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall</p>	<p>Appraisal and operating procedures for the acquisition or disposal of real property, equipment or right-of-use assets thereof</p> <p>I. (Not amended; omitted).</p> <p>II. Appraisal report issued by entrusted experts</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall</p>	Amended in compliance with the laws and regulations.

No.	Original Version	Amended Version	Revision description
	<p>obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I)-(II)(Not amended; omitted).</p> <p>(III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>execute in accordance with Statement of Auditing Standards No. 20 issued by Accounting Research and Development Foundation of the Republic of China (hereinafter known as the "Accounting Research and Development Foundation")</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. <p>(IV)-(V)(Not amended; omitted).</p>	<p>obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I)-(II)(Not amended; omitted).</p> <p>(III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. <p>(IV)-(V)(Not amended; omitted).</p>	

No.	Original Version	Amended Version	Revision description
X	<p>Appraisal and operating procedures for the related party transactions I-II(Not amended; omitted).</p> <p>III. The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 15, paragraph 1, <u>subparagraph 5</u> herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items which have been approved by the <u>Board of Directors</u> after they are submitted to it and have been acknowledged by the Supervisors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 9, paragraph 3 delegate the Chairman of the Board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created by the Company, when a matter is submitted for discussion by the Board of Directors pursuant to paragraph 2 of the Article, the Board of</p>	<p>Appraisal and operating procedures for the related party transactions I-II(Not amended; omitted).</p> <p>III. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 9, paragraph 3 delegate the Chairman of the Board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created by the Company, when a matter is submitted for discussion by the Board of Directors pursuant to paragraph 2 of the Article, the Board of</p>	<p>Amended in compliance with the laws and regulations.</p>

No.	Original Version	Amended Version	Revision description
	<p>each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>Where an Audit Committee has been established by the Company, the matters for which paragraph 2 of the Article requires recognition by the Supervisors shall first be approved by one-half or more of all Audit Committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p> <p>IV-VII(Not amended; omitted).</p>	<p>Board of Directors meeting.</p> <p>Where an Audit Committee has been established by the Company, the matters for which paragraph 2 of the Article requires recognition by the Supervisors shall first be approved by one-half or more of all Audit Committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p> <p><u>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 2 and the transaction amount will reach 10% or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 2 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in <u>paragraph 2</u> and the preceding paragraph shall be done in accordance with Article 15, paragraph <u>2</u> herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items which have been approved by the <u>shareholders' meeting and Board of Directors</u> after they are submitted to it and have been acknowledged by the Supervisors need not be counted toward the transaction amount.</p> <p>IV-VII(Not amended; omitted).</p>	

No.	Original Version	Amended Version	Revision description
XI	<p>Appraisal and operating procedures for the acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>I The means of price determination and supporting reference materials The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall consider the benefits which the assets may generate in the future and the fair market value. When necessary, the Company may refer to the opinions from experts and negotiate with the counterparty of the transaction.</p> <p>II Opinions issued by entrusted experts Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. <u>The certified public accountant shall do so in accordance with Statement of Auditing Standards No. 20 issued by Accounting Research and Development Foundation.</u></p> <p>III-V(Not amended; omitted).</p>	<p>Appraisal and operating procedures for the acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>I The means of price determination and supporting reference materials The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall consider the benefits which the assets may generate in the future and the fair market value. When necessary, the Company may refer to the opinions from experts and negotiate with the counterparty of the transaction.</p> <p>II Opinions issued by entrusted experts Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>III-V(Not amended; omitted).</p>	Amended in compliance with the laws and regulations.

No.	Original Version	Amended Version	Revision description
XV	<p>Procedures of announcement and reporting</p> <p>I Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the competent authority's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I)-(VI) (Not amended; omitted).</p> <p>(VII)Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of the Company's paid-in capital or NT\$300 million. However, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. (Not amended; omitted). 	<p>Procedures of announcement and reporting</p> <p>I Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the competent authority's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I)-(VI)(Not amended; omitted).</p> <p>(VII)Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of the Company's paid-in capital or NT\$300 million. However, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u> 2. (Not amended; omitted). 	<p>Amended in compliance with the laws and regulations.</p>

Attachment VII

Taiwan Surface Mounting Technology Corp. Comparison between Original and Amendments to the Articles of Incorporation

No.	Original Version	Amended Version	Revision description
IX	<p>There are two types of shareholders' meeting, including regular meeting and extraordinary meeting. Annual meetings shall be convened by the Board of Directors annually within six (6) months after the end of each fiscal year. The extraordinary shareholders' meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.</p>	<p>There are two types of shareholders' meeting, including regular meeting and extraordinary meeting. Annual meetings shall be convened by the Board of Directors annually within six (6) months after the end of each fiscal year. The extraordinary shareholders' meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.</p> <p><u>The shareholders' meeting of the Company can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>Article 172-2 of the Company Act was amended and promulgated on December 29, 2021. Public Companies may apply the provisions concerning visual communication network, pursuant to Paragraph 1 of the said Article that when the shareholders' meeting is held, it can be held by means of visual communication network or other methods promulgated by the central competent authority. In order to comply with the competent authority's policy of promoting shareholders' meetings through visual communication</p>

No.	Original Version	Amended Version	Revision description
			<p>network, and to meet the needs of the digital age, the Company provides a channel for shareholders to facilitate their participation in shareholders' meetings. The Company's shareholders' meeting is clearly stated, pursuant to the regulations, that it may</p>

No.	Original Version	Amended Version	Revision description
XIX-1	<p>The Company's surplus at the end of the accounting year shall be first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal capital reserve and special capital reserve by law or reversal. The remainder plus previous retained earnings shall be allocated by the Board's proposal and subject to approval at the shareholders' meeting.</p>	<p>The Company's surplus at the end of the accounting year shall be first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal capital reserve and special capital reserve by law or reversal. The remainder plus previous retained earnings shall be allocated by the Board's proposal and subject to approval at the shareholders' meeting. <u>If it is done by issuing new shares, it shall be distributed after the resolution of the shareholders' meeting; when it is done by way of cash distribution, in compliance with the provisions of Paragraph 5 of Article 240 of the Company Act, the Board of Directors shall be authorized to reach a resolution of the Board meeting from at least two-thirds of the directors in attendance and the approval from more than half of the attending directors, and the Board of Directors then report the said resolution to the shareholders' meeting. The Company may, through a resolution the Board meeting from at least two-thirds of the directors in attendance and the approval from more than half of the attending directors, make all or part of the legal capital reserve and capital surplus stipulated in Article 241 of the Company Act be distributed in cash, and the Board of Directors then report the said resolution to the shareholders' meeting.</u></p>	<p>Amendment is made in compliance with the current law and regulation as well as enhancing the performance of corporate governance.</p>

No.	Original Version	Amended Version	Revision description
XX	<p>For the Company's dividend policy, the Company adopts the residual dividend policy, the board of directors will draft earnings distribution proposals based in the profitability and the capital status for the current year, taking the Company's future operational planning, business development, capital expenditure budget and capital requirements into consideration <u>and subject to the resolution of the shareholders' meeting</u>. The issuance of stock dividends takes precedence over the payment of cash dividends or stock dividends. In principle, cash shall not be less than 20% of total dividends distributed.</p>	<p>For the Company's dividend policy, the Company adopts the residual dividend policy, the board of directors will draft earnings distribution proposals based in the profitability and the capital status for the current year, taking the Company's future operational planning, business development, capital expenditure budget and capital requirements into consideration. The issuance of stock dividends takes precedence over the payment of cash dividends or stock dividends. In principle, cash shall not be less than 20% of total dividends distributed.</p>	Same as above.
XXII	<p>The original Articles of Incorporation were established on March 10, 1990. The dates of the 1st to 27th amendments (omitted). The 28th amendment was on June 22, 2018.</p>	<p>The original Articles of Incorporation were established on March 10, 1990. The dates of the 1st to 27th amendments (omitted). The 28th amendment was on June 22, 2018. <u>The 29th amendment was on June 17, 2022.</u></p>	The date of the new amendment is added.

Attachment VIII

List of Candidates of Directors

Title	Name	Education	Experience	Current job	Current shareholding (shares)
Director	Wu, Kai-Yun	Department of Electrical Engineering, Cheng-Shiu Junior College of Technology MBA, Fudan University, Shanghai, China	Deputy Manager, Efa Corporation Chairman and President, Taiwan Surface Mounting Technology Corp.	Chairman and President, Taiwan Surface Mounting Technology Corp.	11,931,653
Director	Lin, Wen-Ching	Department of Mechanical Engineering, National Taiwan Institute of Technology	Manager, Department of Development, Efa Corporation Director, Taiwan Surface Mounting Technology Corp.	Director, Taiwan Surface Mounting Technology Corp.	5,914,789
Director	Shen, Shian-Ho	Department of Electronic Engineering, Chung Yuan Christian University	Manager/Factory Chief, United Microelectronics Corp. Director and Vice President, AU Optonics Corporation	Director and President, Chem Tec Corporation Co., Ltd. Director, Taiwan Surface Mounting Technology Corp.	0
Director	Wang, Chia-Chen	Department of Accounting, Soochow University	Senior Auditor, PwC Taiwan Director and Vice President, Taiwan Surface Mounting Technology Corp.	Director and Vice President, Taiwan Surface Mounting Technology Corp.	567,030
Director	Wu, Yun-Chung	Bachelor of Electrical Engineering and Master of Energy Systems Engineering, Lehigh University	Project Manager, Regent Manner Electronics (Suzhou) Co., Ltd. President, Regent Manner Electronics (Hefei) Co., Ltd. President, Regent Manner Electronics (Chongqing) Co., Ltd.	Director and Vice President of Advanced Process Business Division, Taiwan Surface Mounting Technology Corp. President, Regent Manner Electronics (Hefei) Co., Ltd. President, Regent Manner Electronics (Chongqing) Co., Ltd. President, Regent Manner Electronics (Xiamen) Co., Ltd.	4,060,470
Director	Lin, Wen-Chang	Department of Commerce, Yuda High School of Commerce and Home Economics	Person in Charge, Tienwei Motorcycle Co., Ltd. Director, Taiwan Surface Mounting Technology Corp.	Director, Taiwan Surface Mounting Technology Corp.	2,500,883
Director	Hsiao, Hsueh-Fong	Department of Banking and Insurance, Ming Chuan Commercial College	Finance and Accounting Manager, Yuan Liou Publishing Co., Ltd. Director, Taiwan Surface Mounting Technology Corp.	Director, Taiwan Surface Mounting Technology Corp.	0

List of Candidates of Independent Directors

Title	Name	Education	Experience	Current job	Current shareholding (shares)
Independent Director	Hwu, Shouou-Chyang	Graduate of China Junior College of Industrial and Commercial Management	President, Jong Horng Enterprise Co., Ltd. Independent Director, Taiwan Surface Mounting Technology Corp.	Independent Director, Taiwan Surface Mounting Technology Corp.	338,888
Independent Director	Chang, May-Yuan	Bachelor of Industrial Engineering, Chung Yuan Christian University Master of Industrial and Systems Engineering, Ohio State University	President, Weichuang Technology Consulting Co., Ltd. President, Shengyang Management Consulting Co., Ltd. Manager, Business Department, Kuang-Hwa Investment Holding Co., Ltd. Investment Manager, China Investment and Development Co., Ltd. President, Dong-an Investment Co., Ltd.	Independent Director, Taiwan Surface Mounting Technology Corp.	0
Independent Director	Chen, Meng-Ping	Department of Accounting, Chinese Culture University	Manager, KPMG Taiwan Accountant, Contemporary Accounting Firm Independent Director, Taiwan Surface Mounting Technology Corp.	Accountant, Contemporary Accounting Firm Independent Director, Taiwan Surface Mounting Technology Corp.	0

Note: Reasons for the candidate to be nominated again for the independent directorship after three consecutive terms

Title	Name	Reasons for the candidate to be nominated again for the independent directorship after three consecutive terms
Independent Director	Hwu, Shouou-Chyang	Mr. Hwu has rich experience and professional ability in the related industries of the Company. He is able to propose forward-looking insights on the development of the industry and provide strategic guidance for the Company's development of new products and strategic planning for new markets.
Independent Director	Chang, May-Yuan	Ms. Chang specializes in industry analysis, business management and other fields. She has rich experience in performance management, business growth and investment, which is very helpful for the Company's future investment and financial planning.
Independent Director	Chen, Meng-Ping	Ms. Chen is a professional in finance and taxation, and she is familiar with relevant laws and regulations. She hold an accountant certificate and is an expert in corporate governance, which are of obvious benefits to the Company.

Attachment IX

Items to be Lifted for the Non-Compete Restriction of Directors

Title	Name	Items to be Lifted for the Non-Compete Restriction
Director	Wu, Kai-Yun	Legal representative of Tele System Communications Pte Ltd Legal representative of High-Toned Opto Technology Corp.
Director	Shen, Shian-Ho	Director and President, Chem Tec Corporation Co., Ltd. Director, Anpec Electronics Corp. Director, C Sun Mfg. Ltd. Independent Director, ENNOSTAR Inc.
Director	Wu, Yun-Chung	Legal representative of Tele System Communications Pte Ltd Legal representative of iWEECARE Co., Ltd.

Appendix I

Taiwan Surface Mounting Technology Corp.

Rules and Procedures of Shareholders' Meeting

(Amendment passed by the annual shareholders' meeting on July 29, 2021)

- I Unless otherwise specified by law or the Articles of Incorporation, the Company shall proceed its shareholders' meetings according to the terms of the Rules.
- II The shareholders' meeting shall furnish the attending shareholders with an attendance log to sign, or attending shareholders may hand in a sign-in cards in lieu of signing in. The number of shares represented during the meeting is calculated based on the total amount registered in the attendance log or the sign-in cards collected, where voting rights are exercised in writing or through electronic means, those numbers shall be added.
- III Votes and attendance in a shareholders' meeting are determined by the number of shares represented during the meeting.
- IV The location of shareholders' meetings shall be the Company's current location or such other place that is convenient for shareholders to attend. The meetings shall not commence earlier than 9 a.m. or later than 3 p.m.
- V If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Managing Directors to act as the chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as the chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as the chair.
For shareholders' meetings convened by any authorized party other than the Board of Directors, the convener will act as the meeting chair.
- VI The Company's lawyers, certified public accountants, and any relevant personnel may be present at the shareholders' meeting.
Organizers of the shareholders' meeting must wear proper identification or arm badges.
- VII Entire proceedings of shareholders' meeting shall be recorded on audio or video tape and preserved for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- VIII The chair shall call the meeting to order at the appointed meeting time while announcing relevant information such as the number of non-voting rights and the number of shares present. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of current outstanding shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act.
- When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of current outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- IX If the shareholders' meeting is convened by the board of directors, the board of directors shall determine the meeting proceedings. The proceedings shall not be changed unless resolved during the shareholders' meeting.
- The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.
- After a meeting adjourned, shareholders may not elect another chair to continue the proceeding of the meeting at the same or a new place, provided that, if the chair declares the adjournment of the meeting in a manner in violation of the rules of procedure, a new chair may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceeding of the meeting.
- X Shareholders who wish to speak during the meeting must produce a speech note detailing the topics and the shareholder's account number (or the attendance card serial number). The order of shareholders' comments shall be determined by the chair.
- A shareholder who has submitted an opinion slip but does not actually speak shall be deemed to have not spoken. If the contents of speech are inconsistent with the contents of opinion slip, the contents of speech shall prevail.
- When a shareholder attends the shareholders' meeting, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor. The chair shall stop any violation.
- XI Each shareholder shall speak no more than twice, for five minutes each, on the same agenda item unless otherwise agreed by the chair.

The chair may stop shareholders from speaking if they violate the rules or speak outside the agenda item under discussion.

- XII When a juristic person is appointed to attend the shareholders' meeting, it may designate only one person to attend on its behalf.
Where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per agenda item.
- XIII After the shareholder has finished speaking, the chair may answer to the shareholder's queries personally or appoint any relevant personnel to do so.
- XIV When the chair at a Board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.
- XV The chair will appoint a ballot scrutineer and a ballot counter; the ballot scrutineer must be a shareholder. The outcome of the vote shall be documented and announced on site.
- XVI The chair may put the meeting in recess at appropriate times.
If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the items (including special motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.
- XVII A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179 of the Company Act.
When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice.
Matters regarding the shareholders attending the shareholders' meeting by proxy obtained through solicitation and non-solicitation means shall be governed by the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies propagated by the securities competent authority.
Unless otherwise regulated by the Company Act or the Articles of Incorporation, an agenda item is passed when supported by shareholders who represent more than half of the total voting rights in the meeting.
An agenda is considered passed if the chair receives no objections from any attendants. This voting method is as effective as does the conventional ballot method.

- XVIII When there are any amendments or alternative solutions for the same proposal, the chair shall combine these amendments/alternative solutions with the original proposal and decide their priority for voting. If any resolution is passed, all other proposals shall be deemed rejected and no further voting is necessary.
- XIX The Chairman may instruct pickets (or security staff) to help maintain order in the meeting. The pickets (or security personnel) shall wear armbands with the word "picket" when trying to maintain order.
- XX The Rules and any amendments hereto shall be implemented after adoption by shareholders' meetings.

Appendix II

Taiwan Surface Mounting Technology Corp. Articles of Incorporation

(Amendment passed by the annual shareholders' meeting on June 22, 2018)

Chapter I General Provisions

- Artical 1 The Company is organized in accordance with the Company Act and named Taiwan Surface Mounting Technology Corp.
- Artical 2 The scope of business of this Company shall be as follows:
- I. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
 - II. CC01040 Lighting Facilities Manufacturing
 - III. CC01060 Wired Communication Equipment and Apparatus Manufacturing
 - IV. CC01070 Telecommunication Equipment and Apparatus Manufacturing
 - V. CC01080 Electronic Parts and Components Manufacturing
 - VI. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
 - VII. CC01110 Computers and Computing Peripheral Equipment Manufacturing
 - VIII. F401010 International Trade
 - IX. IG03010 Energy Technical Services
 - X. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Artical 3 The headquarters of the Company is located in Changhua County, Taiwan. The Company may establish branches or subsidiaries in Taiwan or overseas as the Company may require upon resolution by the board of directors of the Company ("Board or "Board of Directors").
- Artical 4 The Company shall be exempt from the restrictions on the total investment amount specified in Article 13 of the Company Act. The Company may provide endorsements and guarantees to outside parties as needed to facilitate its business activities.

Chapter II Shareholding

- Artical 5 The Company's capital shall be set at NT\$5 billion, divided into 500 million shares with each share having a par value of NT\$10.
- The unissued shares may be issued in installments at the discretion of the Board of Directors. Among which, the amount of NT\$200 million, 20 million shares in total, may be used to issue share subscription warrant, special shares subscribable under outstanding ancillary special share subscription warrants or shares subscribable under outstanding corporate bonds vested with share subscription rights.
- If the issued subscription price of the Company is lower than the subscription warrant of employees of the closing price of common stock of Japanese companies, they can only be issued after obtaining the consent from more than two thirds of voting power of

attending shares at shareholders' meeting to be attended by more than half shareholders representing the total number of issued shares.

The shares legally bought back by the Company may be transferred to the employees at a price lower than the average price paid for the shares by resolution of the most recent shareholders' meeting prior to the fact. The resolution for such transfer shall be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent a majority of the issued shares of the Company.

Where the Company plans to withdraw its stocks from public offering, the Company shall submit such proposal to the shareholders' meeting for resolution. This provision shall not be altered during the listing period.

Artical 6 (Deleted)

Artical 7 The Company's shares shall be registered and numbered, and shall bear the signatures or personal seals of at least three directors, and be issued upon certification in accordance with the law. When issuing the shares, the Company may opt not to print any share certificates, or to print the separately-issued shares on a combined basis. The shares shall however be kept or registered in accordance with the law.

Artical 7-1 The Company shall administer all the stock-related affairs in accordance with the relevant regulations.

Artical 8 No registration of transfer of shares shall be made within sixty days (60) prior to an annual shareholder meeting, nor within thirty days (30) prior to a special (extraordinary) shareholder meeting, nor within five (5) days prior to the day on which dividend, bonus or other benefits is scheduled to be paid by the Company.

Chapter III Board of Shareholders

Artical 9 There are two types of shareholders' meeting, including regular meeting and extraordinary meeting. Annual meetings shall be convened by the Board of Directors annually within six (6) months after the end of each fiscal year.

The extraordinary shareholders' meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.

Artical 10 If a shareholder is unable to attend the shareholders' meeting in person, a proxy can be appointed to attend on his/her behalf by submitting a proxy form in accordance Article 177 of the Company Act.

Artical 11 Except where the voting right of the shareholder is restricted or in the circumstances set forth in provisions of Article 179 under the Company Act, a shareholder shall have one voting power in respect of each share in his/her possession.

Artical 12 Except otherwise regulated by the Company Act, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting. In accordance with regulations of the competent authorities, shareholders of this company may exercise their voting rights by way of electronic transmission, exercising such rights by way of electronic transmission shall be deemed to have

attended the said shareholders' meeting. Other relevant matters shall be handled in accordance with the laws and regulations.

Chapter IV Directors and Audit Committee

- Artical 13 The Company shall have 7 to 11 Directors, who are elected during shareholders' meetings from persons of adequate capacity to serve a term of 3 years. Their terms of service may be renewed if they are re-elected in the following election. The election adopts a candidates nomination system in accordance with the Company Act.
As stipulated in Article 14-2 of the Securities and Exchange Act, there shall be no less than 3 Independent Directors in the aforementioned quota of Directors, and the number of Independent Directors shall not be less than one-fifth of the total Directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, attendance by proxy and other matters for compliance with respect to Independent Directors shall follow prescriptions of the securities competent authority.
Total registered shares held by the Company's entire Board of Directors shall be in compliance with the regulations propagated by the securities competent authority.
The Company has established an Audit Committee comprising of Independent Directors. The audit committee and the members of the Audit Committee are responsible for executing the authority of the Supervisors according to the Company Act, Securities and Exchange Act and other relevant regulations.
- Artical 13-1 The Company may purchase liability insurance for the Directors within their terms of office.
- Artical 14 The Board of Directors is composed of Directors. The directors shall elect a chairman from among themselves in the Board meeting with the consent of the majority of attending Directors, which represents more than two-thirds of all Directors. The Chairman shall have the authority to represent the Company.
The reasons for convening a Board meeting shall be notified to each Director at least 7 days in advance. However, in the event of an emergency, the meeting may be convened at any time.
The Board meetings may be convened in the form of letters, e-mail or fax.
- Artical 15 If the Chairman of the Board is unable to perform his/her duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of the Company Act.
If a Director is unable to attend a Board meeting in person, another Director may be appointed to act on behalf of the absent Director in attending the meeting. The Directors' proxies in attending the Board meeting shall be governed by Article 205of the Company Act.
- Artical 16 When the Directors of the Company perform their duties, regardless of the gains and loss of the Company, the Company shall pay remuneration, and the Board of Directors shall be authorized to determine the amount of remuneration with reference to the participation and contribution to the Company's operations and by reference to the standard of the industry domestic or abroad.

Chapter V Managerial officer

Artical 17 The Company shall have one President and several Vice Presidents. The appointment, discharge and remuneration shall be done in accordance with Article 29 of the Company Act.

The competence of managers to manage the Company's affairs and sign on behalf of the Company and the scope of such competence shall be determined by the Board of Directors.

Chapter VI Accounting

Artical 18 The fiscal year of the Company shall begin on January 1 and end on December 31 of the year. The Company's Board of Directors shall prepare (1) business report, (2) financial statements, and (3) earning distribution or deficit compensation proposal after the end of each fiscal year and forward them to the annual shareholders' meeting for approval.

Artical 19 The Company's net income before tax before deducting the remuneration to employees and Directors should be used to make up for aggregated losses, no less than 5% of any remainder shall be allocated as the employees' remuneration and no more than 1% shall be allocated as the Directors' remuneration.

Employees' remuneration and Directors' remuneration may be distributed in the form of cash or stocks, subject to a resolution adopted by a majority vote at a Board meeting attended by two-thirds of the total number of Directors and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Those receiving employees' remuneration in stocks or cash include employees of subordinate companies meeting certain criteria.

Artical 19-1 The Company's surplus at the end of the accounting year shall be first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal capital reserve and special capital reserve by law or reversal. The remainder plus previous retained earnings shall be allocated by the Board's proposal and subject to approval at the shareholders' meeting.

Artical 20 For the Company's dividend policy, the Company adopts the residual dividend policy, the board of directors will draft earnings distribution proposals based in the profitability and the capital status for the current year, taking the Company's future operational planning, business development, capital expenditure budget and capital requirements into consideration and subject to the resolution of the shareholders' meeting. The issuance of stock dividends takes precedence over the payment of cash dividends or stock dividends. In principle, cash shall not be less than 20% of total dividends distributed.

Chapter VII Supplementary Provisions

Artical 21 Any other issues not covered in the Articles of Incorporation shall be governed by the Company Act.

Artical 22 The original Articles of Incorporation were established on March 10, 1990.

The 1st amendment was on August 23, 1990
The 2nd amendment was on September 17, 1991
The 3rd amendment was on October 8, 1991
The 4th amendment was on August 1, 1994
The 5th amendment was on March 1, 1995
The 6th amendment was on May 7, 1997
The 7th amendment was on August 11, 1997
The 8th amendment was on September 30, 1997
The 9th amendment was on March 15, 1998
The 10th amendment was on June 17, 1998
The 11th amendment was on July 17, 1998
The 12th amendment was on June 10, 1999
The 13th amendment was on June 15, 2000
The 14th amendment was on June 15, 2001
The 15th amendment was on June 24, 2002
The 16th amendment was on April 4, 2003
The 17th amendment was on April 30, 2004
The 18th amendment was on June 14, 2005
The 19th amendment was on June 9, 2006
The 20th amendment was on May 15, 2007
The 21st amendment was on June 13, 2008
The 22nd amendment was on June 19, 2009
The 23rd amendment was on May 14, 2010
The 24th amendment was on June 17, 2011.
The 25th amendment was on June 18, 2014.
The 26th amendment was on June 15, 2015.
The 27th amendment was on June 15, 2016.
The 28th amendment was on June 22, 2018. The amendment altering the number of Directors to 7 to 11 Directors shall apply after the approval of the 2018 annual shareholders' meeting, and the rest of the amendments shall apply upon the termination of the terms of office for the current Directors and Supervisors in June, 2019.

Appendix III

Taiwan Surface Mounting Technology Corp.

Procedures for Election of Directors

(Amendment passed by the annual shareholders' meeting on June 13, 2019)

- I. Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.
- II. The cumulative voting method shall be used for election of the directors of the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- III. The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the Shareholders' Meeting.
- IV. Before the election begins, the chair shall appoint a number of counting personnel and persons with shareholder status to perform the duties of vote monitoring to implement their duties.
- V. For the election of directors, the ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- VI. If the candidate is a shareholder, the voters must fill in the candidate's shareholder's account name and the shareholder's account number in the "elected person" column of the ballot. If the candidate is not a shareholder, the voters must fill in the candidate's name and ID number. However, when a government or legal person shareholder is a candidate, the name of the candidate on the ballot shall be filled in with the name of the government or legal person, or the name of the government or legal person and the name of its representative may also be filled in. When there are several representatives, the names of the representatives should be added separately.
- VII. The elections of independent directors and non-independent directors are held together, and the vote counting and announcement of elected directors are executed separately.
- VIII. A ballot is invalid under any of the following circumstances:
 - (I) A ballot which does not comply with the provisions of these Procedures.
 - (II) A blank ballot is placed in the ballot box.
 - (III) The writing on the ballot is unclear and indecipherable or has been altered.
 - (IV) The shareholder's account number and account name of the candidate being entered in the ballot do not match the record in the shareholders' register, if the said candidate is a shareholder. The name and ID number of the candidate being entered in the ballot do not match, if the said candidate is not a shareholder.
 - (V) Other words or marks are entered in the ballot in addition to the candidate's account name (name) or shareholder's account number (ID number) and number of voting rights allotted.

(VI) No candidate's account name (name) or shareholder's account number (ID number) are found on the ballot.

(VII) Two or more candidates are filled in on the same ballot.

(VIII) The name of the candidate on the ballot is exactly the same with other shareholders but no candidate's account name or shareholder's account number are found on the ballot to differentiate them.

IX. The election of directors of the company shall be conducted in accordance with the procedures of the candidates nomination system stipulated in Article 192-1 of the Company Act.

In the aforementioned election, based on the number of seats specified in the Articles of Incorporation of the Company and the results of the vote counting, the candidates who have won more voting rights represented by the obtained votes are elected as independent directors or non-independent directors separately. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

X. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

XI. The Board of Directors of the Company shall issue notifications to the persons elected as directors.

XII. Deleted.

XIII. These Procedures, and any amendments hereto, shall be implemented after adoption by the shareholders' meeting.

Appendix IV

Shareholding of Directors

Base date: April 19, 2022

Title	Name	Date of being elected	Shareholding when elected			Current shareholding			Remarks
			Category	Shares	Shareholding ratio (%)	Category	Shares	Shareholding ratio (%)	
Chairman of the board	Wu, Kai-Yun	2019.06.13	Ordinary shares	11,931,653	4.08%	Ordinary shares	11,931,653	4.08%	
Director	Lin, Wen-Ching	2019.06.13	Ordinary shares	5,905,789	2.02%	Ordinary shares	5,914,789	2.02%	
Director	Wang, Chia-Chen	2019.06.13	Ordinary shares	615,030	0.21%	Ordinary shares	567,030	0.19%	
Director	Shen, Shian-Ho	2019.06.13	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	
Director	Wu, Yun-Chung	2019.06.13	Ordinary shares	4,000,470	1.37%	Ordinary shares	4,060,470	1.39%	
Director	Lin, Wen-Chang	2019.06.13	Ordinary shares	2,500,883	0.86%	Ordinary shares	2,500,883	0.86%	
Director	Hsiao, Hsueh-Fong	2019.06.13	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	
Independent Director	Hwu, Shoou-Chyang	2019.06.13	Ordinary shares	338,888	0.12%	Ordinary shares	338,888	0.12%	
Independent Director	Chang, May-Yuan	2019.06.13	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	
Independent Director	Chen, Meng-Ping	2019.06.13	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%	
Total			Ordinary shares	25,292,713		Ordinary shares	25,313,713		

Total number of shares issued on June 13, 2019: 292,398,353 shares

Total number of shares issued on April 19, 2022: 292,398,353 shares

Note: The statutory requirement for the aggregated shareholding of all Directors is: 12,000,000 shares; as of April 19, 2022, the total number of shares held by all Directors is: 24,974,825 shares

Note: The Company had established an Audit Committee, so the statutory requirement for the aggregated shareholding of all Supervisors does not apply.

©The shareholding of Independent Directors are not calculated in the shareholding of Directors.