



**茂訊電腦股份有限公司**

**MilDef Crete Inc.**

**2023 Meeting Handbook  
General Shareholder's Meeting**

(Translation)

**Time:** 9:00 a.m. on Thursday, June 14, 2023

**Location:** 7F., No. 250, Sec. 3, Beishen Rd., Shenkeng Dist.,  
New Taipei City, Taiwan (R.O.C.)  
(Education and Training Center of the Company)

**Notice to Readers:**

*For the convenience of readers, the Meeting Handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.*

# **Table of Contents**

Chapter 1. Agenda of the Regular Shareholders' Meeting	1
Chapter 2. Reporting Matters	2
Chapter 3. Recognition Matters	3
Chapter 4. Discussion Items	4
Chapter 5. Election Items	5
Chapter 6. Extempore Motions	5
Chapter 7. Adjourning Meeting	5
Chapter 8. Annexes	
I. 2022 Annual Operation Report	6
II. Audit Committee Review Report	9
III. Accountant's Audit Report and Independent and Consolidated Financial Statements for 2022	10
IV. Statement of Earnings Distribution in 2022	36
V. Table of Comparison of the Articles of Association Before and After Revision	37
VI. Table of Comparison of the Rules of Procedure for the Shareholders' Meeting Before and After Revision	38
VII. List of candidates for directors (including independent directors)	57
Chapter 8. Appendix	
I. Procedures for the Selection of Directors	58
II. Rules of Procedure for the Shareholders' Meeting	61
III. Articles of Association	68
IV. Shareholdings by directors	74

## **Chapter 1. Agenda of the regular shareholders' meeting**

### **Mildef Crete Inc. Agenda of 2022 ordinary shareholders' meeting**

- I. Time: 9:00 a.m. on Thursday, June 14, 2023
- II. Location: 7F., No. 250, Sec. 3, Beishen Rd., Shenkeng Dist.,  
New Taipei City, Taiwan (R.O.C.)  
(Education and Training Center of the Company)
- III. Announcement
- IV. Address by the chairman
- V. Reporting matters
  - (I) 2022 annual operation report
  - (II) Report of the Audit Committee on the examination of the final accounts of 2022
  - (III) Report on remuneration distribution of directors and employees in 2022
- VI. Recognition matters
  - (I) 2022 annual operation report and financial statement
  - (II) 2022 earnings distribution project
- VII. Discussion items
  - (I) Proposed amendments to the "Articles of Association".
  - (II) Proposed amendments to the "Rules of Procedure for the Shareholders' Meeting".
- VIII. Provisional motion
- IX. Adjourn the meeting

## **Chapter 2. Reporting Matters**

### **Proposal I**

**Subject:** To the board of the "2022 Annual Operation Report".

**Description:** Please refer to Annex I on Page 6~8 of this manual.

### **Proposal II**

**Subject:** To the board of the "Audit Committee Reviewing the Report on the Final Accounts of 2022".

**Description:** Please refer to Page 9, Annex II of this manual.

### **Proposal III**

**Subject:** To the board of the "Report on Remuneration Distribution of Directors and Employees in 2022".

**Description:**

- I. It shall handle under Article 20 of the articles of association.
- II. In 2022, the Company earned a profit of NT\$329,882,230 (i.e. the pre-tax income before deducting the remuneration for employees and directors) and appropriated 1.92% of the profit (NT\$6,334,761) to pay the directors' remuneration and 9.58% (NT\$31,607,819) to pay the employees' remuneration, all of which were paid in cash.
- III. There is no difference between the above allocation amount and the estimated amount of listed expenses in 2022.

## **Chapter 3. Recognition Matters**

Proposal I (proposed by the board of directors)

Subject: To the board of the "2022 annual operation report and financial statements are hereby for list".

Description:

- I. The balance sheet, comprehensive income statement, statement of changes in equity, and cash flow statement for 2022 have been audited by Wei- Ming Shi and Mei-Yan Chen of KPMG.
- II. Please refer to Page 6~8 and Annex I of this manual for the attached operation report for 2022.
- III. Please refer to Annex III on Page 10~35 of this manual for the attached CPA audit report and independent and consolidated financial statements for 2022.

Resolution:

Proposal II (proposed by the board of directors)

Subject: To the board of the "2022 earnings distribution proposal is hereby submitted for list".

Description:

- I. Please refer to Annex IV on Page 36 of this manual for the statement of earnings distribution in 2022.
- II. In 2022, the Company earned a profit of NT\$329,882,230 (i.e. the pre-tax income before deducting the remuneration for employees and directors) and appropriated 1.92% of the profit (NT\$6,334,761) to pay the directors' remuneration and 9.58% (NT\$31,607,819) to pay the employees' remuneration, all of which were paid in cash.
- III. It proposes to request the shareholders' meeting to authorize the chairman to adjust it if the earnings referred to in the preceding paragraph changes due to the change of the company's share capital, which affects the number of outstanding shares and changes the interest distribution rate.

Resolution:

## **Chapter 4. Discussion Items**

Proposal I (proposed by the board of directors)

Proposed amendments to the "Articles of Association", and submit them for discussion.

Description:

Proposed to amend some provisions of the "Articles of Association" in accordance with relevant laws and regulations; Please refer to Annex V in Page 37 for a comparison of the provisions before and after amendments.

Resolution:

Proposal II (proposed by the board of directors)

Subject: Proposed amendments to the "Rules of Procedure for the Shareholders' Meeting", and submit them for discussion.

Description:

Proposed to amend some provisions of the "Rules of Procedure for the Shareholders' Meeting" in accordance with relevant laws and regulations; Please refer to Annex VI in Page 38~56 for a comparison of the provisions before and after amendments.

Resolution:

## **Chapter 5. Election Items**

Proposal I (proposed by the board of directors)

Subject: Submit the motion for re-election of directors.

Description:

- I. The 13th term of office of the Company's directors will expire on June 17, 2023, and it is intended that all directors will be re-elected at the Annual Shareholders' Meeting in 2023.
- II. In accordance with the Company's Articles of Association, seven directors (including three independent directors) will be elected for a term of three years from June 14, 2023 to June 13, 2026. They will take office after the conclusion of the shareholders' meeting.
- III. Directors (including independent directors) shall adopt the candidate nomination system and be selected by the shareholders' meeting from the list of candidates.
- IV. Please refer to Annex VII in Page 57 of this handbook for the list of candidates for directors (including independent directors) approved by the Board of Directors on March 23, 2023.

Election results:

## **Chapter 6. Extempore Motions**

## **Chapter 7. Adjourning Meeting**

# Chapter 8. Annexes

## Annex I

### **Mildef Crete Inc. 2022 Annual operation report**

Dear sir/madam, shareholders, investors, and distinguished guests. I'm glad to pay attention to and review the performance of Mildef Crete Inc. in 2022.

2022 was an extremely challenging year. Although the pandemic has been brought under control, the economy was still on the way to recovery. In particular, China adopted the dynamic zero-COVID policy, making the global supply chain significantly shrink and tight. By the end of the year, the pandemic had come to an end, but the consequences arising from it were irreversible.

1. Logistics bottleneck: The COVID-19 pandemic has greatly impacted the global logistics. The suspension and delay of freighters and cargo aircraft have led to the bottlenecks in the transportation of raw materials and products in various industries around the world, thereby making the logistics cost rise sharply.
2. The ongoing war between Russia and Ukraine has worsened the shortage of global raw materials and increased uncertainty.
3. Barriers to cross-border trade: Trade barriers and policy uncertainties among the world's major economies have increased the uncertainty and complexity of cross-border trade, and the rise in tariffs exacerbates the instability of the supply chain.
4. Inflation leads to fluctuations in raw material prices: Fluctuations in raw material prices ultimately affect the stability of production and the supply chain, causing an increase in procurement costs.

The above supply chain issues have direct impacts on the business operation.

From an optimistic perspective, due to the impact of geopolitical policies and wars, the military defense budgets of various countries constantly increase. We have been committed to this industry for many years and are confident of the subsequent growth in demand. Additionally, we believe that we will be able to show our strengths in new products and market deployment and seek new profitable opportunities for our shareholders.

Compare to the new high in 2021, the revenue and profit declined in 2022, due to the facts that the demand brought by the pandemic had been met, the need brought by the work from home and distance learning had been satisfied. The weak market demand has led to a fall in prices of notebooks and excessive inventory pressure, which still needs time to solve.

Although the international environment is full of uncertainties, we remain true to the original aspiration. This year, we have introduced numerous new equipment and innovative process technology to meet the market demand. We always attach great importance to quality and hold that only with good quality products, our clients will have the confidence to obtain the trust of the market and get more cooperation opportunities.

We have the confident to challenge the market, and constantly improve revenue and seek profitable business opportunities in the turbulent market.

The overall financial performance of the company in 2022 is as follows:

#### I. Financial performance

##### (I) Operating results:

In 2022, the Company's consolidated turnover was NT\$2.71 billion, a decrease of 3.56% compared with NT\$2.81 billion in 2021; The after-tax profit attributable to the parent company was NT\$230 million, representing a decrease of 63.95% from NT\$638 million in 2021.



(II) Financial revenue and expenditure (consolidated company):

Unit: NT \$1000

Item	2022	2021	Increase (decrease) ratio (%)
Operation interests	265,822	324,548	(18.09)
Net non-operating income and expenditure	39,663	484,629	(91.82)
Net profit before tax	305,485	809,177	(62.25)
After-tax earnings per share	3.89	10.87	(64.21)

(III) Profitability (consolidated companies):

Item		2022	2021
Return on assets (%)		7.52	24.51
Return on shareholders' equity (%)		10.30	34.25
Ratio to paid-in capital (%)	Operation interests	45.30	55.30
	Net profit before tax	52.05	137.88
Net profit rate (%)		8.69	22.95
Retroactive adjustment of earnings per share (NT\$ 1000)		3.89	10.87

II. Research and development

The R&D expenses in 2022 were NT\$69.8 million, representing an increase of 6.56% as compared with NT\$65.5 million in 2021, which was mainly due to the upgrading of existing model platforms and the development of special models for regional clients. We completed the development of 14 Series and started to prepare products for Android platform. To prepare for the new market, we have invested in R&D and started to develop targeted products for the mining market.

III. Operation project and future development strategy

The laptop channel operation division has achieved a stable market share in a year when the market is full of an epidemic this year. The company has increased in the laptop channel due to the surge in the home office and education market. The company still strives to provide services on infrastructure construction. For example, we hope to combine the upstream brand resources with the valuable service of the Mildef Crete through the maintenance serviceability of laptops and the pre-sales and after-sales education and training of customer service to provide consumers with comprehensive and professional laptop services, to improve operation sales.

The system operation division released the launch of 14 series models of this year's new products, injecting new impetus into the market and partners and stimulating customized demand services. The system operation department continuously updates the equipment in the plant at the same time, replaces the old equipment, and purchases new equipment to strengthen the production capacity of the system. We have strengthened the production and manufacturing ERP system, strengthened the quality control, provided optimization and change rate for customized production, and greatly improved the efficiency of production. We are preparing handheld products for the Android system platform in terms of technical extension, constantly strengthening our integration ability, providing customized solutions for customer application devices on different operating systems, and providing one-stop services for customers.

We continue to invest in new markets. Market research, personnel investment, and product

development are all in progress simultaneously. The core value of the system division is that we can provide customized products under customer needs. Many products in the market can not meet the application needs of special industries. The Mildef Cretes can provide customers with complete product solutions. The global customer system is also the strategic goal of the Mildef Crete. It is not only the challenge of constantly expanding new fields, but also the growth space in the future.

IV. Affected by the external tense environment and the overall operation environment

The company's operation is guided by the highest guiding principle of conscience and complies with relevant regulations at home and abroad. The management team also continues to pay close attention to any changes in policies and laws that may affect the company's finance and business as a business reference. It also cooperates with professional institutions to pay close attention to the development of relevant regulations, and immediately adjust the strategy to meet the needs of the operation.

V. Prospect

All our colleagues will work harder to develop new markets and industries, continue to expand marketing, and pursue a sustainable profit model with excellent quality and the belief of serving customers as the core for giving back the support of shareholders, customers, and suppliers.

Thank you!

Best wishes

Good health and good luck

Chairman:  
Yi-Tung, Shen

General Manager:  
Yi-Tung, Shen

Accounting Supervisor:  
Ya-Ping, Liu

## **Mildef Crete Inc.**

### **Audit Committee Review Report**

The board of directors prepared the company's 2022 annual operation report, independent and consolidated financial statements, and earnings distribution proposal, among which the independent and consolidated financial statements were audited by CPA Wei- Ming Shi and CPA Mei-Yan Chen of KPMG and issued an audit report. The above-mentioned operation report, independent and consolidated financial statements, and earnings distribution proposal are not inconsistent after examination by this audit committee. To the board of that, a report shall be prepared under Article 14-4 of the securities and exchange law and Article 219 of the Company Law if there is no discrepancy.

Sincerely

2023 ordinary meeting of shareholders of the Mildef Crete Inc.

Auditor Chun- Ming, Wang

---

Auditor Hsiao- Lung, Feng

---

Auditor Yung- Cheng, Chen

---

March 23, 2023

## Annex III

### **Accountant's Audit Report**

To the Board of Directors of Mildef Crete Inc.

#### **Opinion**

We have audited consolidated balance sheets of Mildef Crete Inc. and its subsidiaries as of December 31, 2022 and 2021, as well as statements of comprehensive income, changes in equity and cash flows for the periods from January 1 to December 31, 2022 and 2021, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements have been prepared in all material aspects according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission. They fairly present financial position of Mildef Crete Inc. and its subsidiaries as of December 31, 2022 and 2021, and the financial performance and cash flow for the periods from January 1 to December 31, 2022 and 2021.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. 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 Mildef Crete Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Mildef Crete Inc. and its subsidiaries for the year 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that they key audit matters to be communicated in the audit report are as follows:

##### **Inventory valuation**

As to detailed accounting policies related to inventory valuation refer to Note 4 (8) to the consolidated financial statements; for details on estimation and hypothesis uncertainty of inventory valuation, refer to Note 5 to the consolidated financial statements; concerning provision for Write-downs of inventories and obsolescence losses, refer to Note 6 (4) to the consolidated financial statements.

Explanations of key audit matters:

Inventories shall be measured based on the cost or the net realisable value whichever is lower. Mildef Crete Inc. and its subsidiaries are engaged in manufacturing and selling rugged computers. Generally, life cycle of rugged computers is long. In consideration of businesses, inventories shall be maintained for certain key components in a relatively long term. However, future requirements might change. As a consequence, related components would not be sold as expected and their inventories would become obsolete and slow-moving. In that case, inventory costs would exceed their net realisable value. The net realisable value of inventories has to be estimated dependent upon subjective judgment of the management, so inventory valuation is one of important matters for evaluation in our audit of financial statements of Mildef Crete Inc. and its subsidiaries.

Corresponding audit procedures:

Our audit procedures performed in respect of the above key audit matter mainly included checking the inventory aging reports provided by Mildef Crete Inc. and its subsidiaries and analyzing changes in inventory age in different phases; randomly checking correctness of the inventory aging reports; performing inventory valuation and confirming implementation of existing accounting policies by Mildef Crete Inc. and its subsidiaries; and evaluating appropriateness of the past loss allowance for obsolete and slow-moving inventories by the management.

#### **Other Matters**

Mildef Crete Inc. has prepared the parent company only financial statements for 2022 and 2021, and we have issued an auditors' report with unqualified opinions for reference.

#### **Responsibilities of Management and Governing Body for the Consolidated Financial Statements**

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission, 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 abilities of Mildef Crete Inc. and its subsidiaries 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 Mildef Crete Inc. and its subsidiaries or to cease their operations or has no realistic alternative but to do so.

The governing body of Mildef Crete Inc. and its subsidiaries including the audit committee, are responsible for overseeing the financial reporting processes.

#### **Accountants' 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 general accepted auditing standards will always detect a material misstatement when it exists. Misstatements might arise from fraud or error. They 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, 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misstatement, or override of internal control.
2. Obtain necessary 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 internal control of Mildef Crete Inc. and its subsidiaries.
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 ability of Mildef Crete Inc. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention of the users 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 Mildef Crete Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Consolidated Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain responsible for our audit opinion.

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

We also provide governing body a statement that we have complied with relevant ethical requirements regarding independence, and 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 governing body, we determine those key matters in the audit of the consolidated financial statements of Mildef Crete Inc. and its subsidiaries for the year 2022. 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.

KPMG Taiwan

CPA: Wei-Ming Shi  
Mei-Yan Chen

Competent Securities Authority's Approval Document No. Jin-Guan-Zheng-VI Zi No. 0950103298  
: (88) Tai-Cai-Zheng (VI) No.18311

March 23, 2023

## Unit: NT\$ thousand

14



**Mildef Crete Inc. and Its Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**January 1 to 31 December, 2022 and January 1 to 31 December, 2021**

		Unit: NT\$ thousand			
		2022		2021	
		Amount	%	Amount	%
4000	<b>Operating income (Notes 6 (16), 7 and 14)</b>	\$ 2,708,366	100	2,807,705	100
5000	<b>Operating cost (Note 6 (4), (7), (10), (12), (17), 7 and 12)</b>	<u>2,150,191</u>	<u>79</u>	<u>2,192,100</u>	<u>78</u>
	<b>Gross operating profit</b>	558,175	21	615,605	22
5910	Less: Unrealized gain from sales	<u>-</u>	<u>-</u>	<u>(4,488)</u>	<u>-</u>
	<b>Realized gross operating profit</b>	<u>558,175</u>	<u>21</u>	<u>620,093</u>	<u>22</u>
	<b>Operating expenses (Note 6 (7), (10), (12), (17), 7 and 12):</b>				
6100	Selling and marketing expenses	175,312	6	182,778	6
6200	General and administrative expenses	47,245	2	47,276	2
6300	Research and development expenses	<u>69,796</u>	<u>3</u>	<u>65,491</u>	<u>2</u>
	<b>Total operating expenses</b>	<u>292,353</u>	<u>11</u>	<u>295,545</u>	<u>10</u>
	<b>Net operating profit</b>	<u>265,822</u>	<u>10</u>	<u>324,548</u>	<u>12</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (Note 6 (18))	8,912	-	8,247	-
7010	Other income (Note 6 (18))	18,151	1	10,491	-
7020	Other gains and losses (Note 6 (18))	13,428	-	(5,371)	-
7060	Share of the profit (loss) of associates accounted by equity method (Note 6 (5))	-	-	(24,862)	(1)
7225	Gains on disposal of investments (Note 6 (5))	-	-	496,607	18
7510	Financial costs (Note 6 (10) and (18))	<u>(828)</u>	<u>-</u>	<u>(483)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>39,663</u>	<u>1</u>	<u>484,629</u>	<u>17</u>
	<b>Net profit before tax</b>	305,485	11	809,177	29
7951	<b>Less: Income tax expense (Note 6 (13))</b>	<u>70,105</u>	<u>2</u>	<u>164,802</u>	<u>6</u>
	<b>Current net profit</b>	<u>235,380</u>	<u>9</u>	<u>644,375</u>	<u>23</u>
8300	<b>Other comprehensive profit or loss:</b>				
8310	<b>Items not reclassified as profit or loss</b>				
8311	Remeasurement of defined benefit plans (Note 6 (12))	15,452	1	1,688	-
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive profit or loss	330,478	12	166,995	6
8349	Less: Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 6 (13))	<u>70,159</u>	<u>3</u>	<u>33,486</u>	<u>1</u>
	<b>Total amount of items not reclassified to profit or loss</b>	<u>275,771</u>	<u>10</u>	<u>135,197</u>	<u>5</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8370	Amount of other comprehensive income or loss of associates accounted by equity method (Note 6 (5))	-	-	14,798	-
8399	Less: Income tax relating to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total amount of items that may be reclassified subsequently to profit or loss</b>	<u>-</u>	<u>-</u>	<u>14,798</u>	<u>-</u>
8300	<b>Other comprehensive profit or loss in current period</b>	<u>275,771</u>	<u>10</u>	<u>149,995</u>	<u>5</u>
	<b>Total amount of other current comprehensive profit or loss</b>	<u><b>\$ 511,151</b></u>	<u><b>19</b></u>	<u><b>794,370</b></u>	<u><b>28</b></u>
	<b>Net profit or loss attributable to:</b>				
8610	Owners of parent company	\$ 228,270	9	638,192	23
8620	Non-controlling interests	<u>7,110</u>	<u>-</u>	<u>6,183</u>	<u>-</u>
		<u><b>\$ 235,380</b></u>	<u><b>9</b></u>	<u><b>644,375</b></u>	<u><b>23</b></u>
	<b>Total comprehensive profit or loss attributable to:</b>				
8710	Owners of parent company	\$ 504,041	19	788,187	28
8720	Non-controlling interests	<u>7,110</u>	<u>-</u>	<u>6,183</u>	<u>-</u>
		<u><b>\$ 511,151</b></u>	<u><b>19</b></u>	<u><b>794,370</b></u>	<u><b>28</b></u>
	<b>Earnings per share (NT\$; (Note 6 (15))</b>				
	<b>Basic earnings per share</b>	<u><b>\$ 3.89</b></u>		<u><b>10.87</b></u>	
	<b>Diluted earnings per share</b>	<u><b>\$ 3.83</b></u>		<u><b>10.72</b></u>	

(For details, please refer to the notes to the consolidated financial report for details)

**Chairman: Yi-Tung, Shen**

**Manager: Yi-Tung, Shen**

**Accounting Supervisor: Ya-Ping, Liu**

**Mildef Crete Inc. and Its Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**January 1 to 31 December, 2022 and January 1 to 31 December, 2021**

Unit: NT\$ thousand

	Retained earnings					Other Equity Items							
						Share of the other comprehensive profit or loss of associates accounted for using the equity method	Unrealized gain/loss on financial assets at fair value through other comprehensive profit or loss	Defined benefits plans remeasurement	Total	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity	
	Capital stock - ordinary shares	Capital surplus	Legal reserve	Special reserve	Undistributed earnings								Total
Balance on January 1, 2021	\$ 586,855	72,650	421,570	52,277	516,192	990,039	(14,798)	(9,783)	(20,360)	(44,941)	1,604,603	17,986	1,622,589
Current net profit	-	-	-	-	638,192	638,192	-	-	-	-	638,192	6,183	644,375
Other comprehensive profit or loss in current period	-	-	-	-	-	-	14,798	133,847	1,350	149,995	149,995	-	149,995
Total amount of other current comprehensive profit or loss	-	-	-	-	638,192	638,192	14,798	133,847	1,350	149,995	788,187	6,183	794,370
Appropriation and distribution of earnings:													
Legal reserve	-	-	34,611	-	(34,611)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(7,335)	7,335	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(264,085)	(264,085)	-	-	-	-	(264,085)	-	(264,085)
Changes in capital surplus from investments in associates accounted for using the equity method	-	37,626	-	-	-	-	-	-	-	-	37,626	-	37,626
Disposal of associates by equity method	-	(37,626)	-	-	-	-	-	-	-	-	(37,626)	-	(37,626)
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(5,827)	(5,827)
Differences between equity price paid and carrying amount of subsidiaries acquired	-	-	-	-	(2,488)	(2,488)	-	-	-	-	(2,488)	2,488	-
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6,857)	(6,857)
Balance on December 31, 2021	586,855	72,650	456,181	44,942	860,535	1,361,658	-	124,064	(19,010)	105,054	2,126,217	13,973	2,140,190
Current net profit	-	-	-	-	228,270	228,270	-	-	-	-	228,270	7,110	235,380
Other comprehensive profit or loss in current period	-	-	-	-	-	-	-	263,409	12,362	275,771	275,771	-	275,771
Total amount of other current comprehensive profit or loss	-	-	-	-	228,270	228,270	-	263,409	12,362	275,771	504,041	7,110	511,151
Appropriation and distribution of earnings:													
Legal reserve	-	-	63,570	-	(63,570)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(44,942)	44,942	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(217,137)	(217,137)	-	-	-	-	(217,137)	-	(217,137)
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(5,136)	(5,136)
Balance on December 31, 2022	\$ 586,855	72,650	519,751	-	853,040	1,372,791	-	387,473	(6,648)	380,825	2,413,121	15,947	2,429,068

(For details, please refer to notes to the consolidated financial statements)

Chairman: Yi-Tung, Shen

Manager: Yi-Tung, Shen

Accounting Supervisor: Ya-Ping, Liu

**Mildef Crete Inc. and Its Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1 to 31 December, 2022 and January 1 to 31 December, 2021**

**Unit: NT\$ thousand**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
<b>Net income before tax</b>	\$ 305,485	809,177
<b>Adjustments for:</b>		
Profit and loss		
Depreciation expense	49,025	47,984
Amortization expense	5,139	4,653
Net gain on financial assets at fair value through profit or loss	(225)	(357)
Interest expenses	828	483
Interest income	(8,912)	(8,247)
Dividend income	(16,338)	(8,844)
Share of loss of associates accounted for using the equity method	-	24,862
Gain on disposal of property, plant and equipment	(44)	-
Returns on Investments accounted for using the equity method	-	(496,607)
Realized gain on sales of goods	-	(4,488)
Total profit and loss	<u>29,473</u>	<u>(440,561)</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	(30,824)	(42,003)
Accounts receivable - related parties	(5,307)	156,740
Inventories	(139,914)	(39,192)
Other current assets	(5,339)	(3,788)
Total net changes in assets related to operating activities	<u>(181,384)</u>	<u>71,757</u>
Net changes in liabilities related to operating activities:		
Contract liabilities	(17,247)	41,578
Notes payable	28,623	(22,342)
Accounts payable	43,468	5,315
Other payable-related parties	2,010	(900)
Provisions for warranty liabilities	2,320	(3,261)
Accrued expenses and other current liabilities	(9,677)	1,429
Net defined benefit liabilities	(8,794)	(3,148)
Total amount of net changes in liabilities related to operating activities	<u>40,703</u>	<u>18,671</u>
Total amount of net changes in assets and liabilities related to operating activities	<u>(140,681)</u>	<u>90,428</u>
Total adjustments	<u>(111,208)</u>	<u>(350,133)</u>
Net cash generated from/(used in) operations	194,277	459,044
Interest received	8,912	8,247
Income tax paid	(90,368)	(104,026)
Net cash inflow from operating activities	<u>112,821</u>	<u>363,265</u>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at fair value through profit or loss	(20,000)	(330,000)
Disposal of financial assets at fair value through profit or loss	120,260	330,327
Disposal of investments accounted for using the equity method	-	77,185
Acquisition of property, plant and equipment	(18,144)	(13,343)
Disposal of property, plant and equipment	152	-
Increase in other non-current assets	-	(195)
Acquisition of intangible assets	(6,791)	(8,304)
Decrease in other financial assets- -current	39,920	9,000
Dividends received	16,338	26,451
Net cash inflow from investing activities	<u>131,735</u>	<u>91,121</u>
<b>Cash flows from financing activities:</b>		
Repayments of long-term loans	(1,751)	(2,101)
Payment of the principal portion of lease liabilities	(31,039)	(30,090)
Payments of cash dividends	(217,137)	(264,085)
Cash dividends paid to non-controlling interests	(5,136)	(5,827)
Non-controlling interests gained from subsidiaries	-	(6,857)
Interests paid	(828)	(483)
Net cash outflow of financing activities	<u>(255,891)</u>	<u>(309,443)</u>
<b>Increase (decrease) in cash and cash equivalents in this period</b>	<u>(11,335)</u>	<u>144,943</u>
<b>Opening balance of cash and cash equivalents</b>	<u>500,086</u>	<u>355,143</u>
<b>Closing balance of cash and cash equivalents</b>	<u><u>\$ 488,751</u></u>	<u><u>500,086</u></u>

(For details, please refer to notes to the consolidated financial statements)

**Chairman: Yi-Tung, Shen**

**Manager: Yi-Tung, Shen**

**Accounting Supervisor: Ya-Ping, Liu**

## **Statement**

The companies of which the consolidated financial statements for affiliates shall include the Company's for the Year 2022 (from January 1 to December 31) as stipulated by the Standards for Preparing Affiliates' Business Reports, Consolidated Financial Statements and Relationship Reports are the same as those to be included in the consolidated financial statements of the parent company and its subsidiaries as recognized by the Financial Supervisory Commission and specified by the valid International Financial Reporting Standard 10. All related information which shall be disclosed in the affiliates' consolidated financial statements have been disclosed in the foregoing consolidated financial statements of the parent company and its subsidiaries. Hence, the affiliates' consolidated financial statements are no longer prepared.

A statement is hereby specially made.

**Mildef Crete Inc.**

Chairman: Yi-Tung, Shen

Date: March 23, 2023

## **Accountant's Audit Report**

To the Board of Directors of Mildef Crete Inc.

### **Opinion**

We have audited balance sheet of Mildef Crete Inc. as of December 31, 2022 and 2021, as well as statements of comprehensive income, changes in equity and cash flows for 2022 and 2021, from January 1 to December 31, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned parent company only financial statements have been prepared in all material aspects according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They fairly present financial position of Mildef Crete Inc. as of December 31, 2022 and 2021, its financial performance and cash flow for the periods from January 1 to December 31, 2022 and 2021.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Parent Company Only Financial Statements section of our report. We are independent of Mildef Crete Inc. in accordance with the Norm of Professional Ethics for Certified Public Accountants, 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 basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of Mildef Crete Inc. for the year 2022. 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. We judge that they key audit matters to be communicated in the audit report are as follows:

#### **Inventory valuation**

As to detailed accounting policies related to inventory valuation refer to Note 4 (7) to the parent. company only financial statements; for details on estimation and hypothesis uncertainty of inventory valuation, refer to Note 5 to the parent company only financial statements; concerning provision for inventory write-down, refer to Note 6 (4) to the parent company only financial statements.

#### **Explanations of Key Audit Matters:**

Inventories shall be measured based on the cost or the net realisable value whichever is lower. Mildef. Crete Inc. is engaged in manufacturing and selling rugged computers. Generally, the life cycle of rugged computers is long. In consideration of businesses, inventories of certain key components shall be maintained for in a relatively long term. However, future requirements might change. As a consequence, related components would not be sold as

expected and their inventories would become obsolete and slow-moving. In that case, inventory costs would exceed their net realisable value. The net realisable value of inventories has to be estimated dependent upon subjective judgment of the management, so inventory valuation is one of the important matters for evaluation in our audit of the financial statements of Mildef Crete Inc.

Corresponding audit procedures:

Our audit procedures performed in respect of the above key audit matter mainly included checking the inventory aging reports provided by Mildef Crete Inc. and analyzing changes in inventory age in different phases; randomly checking correctness of the inventory aging report; performing inventory valuation and confirming implementation of existing accounting policies by Mildef Crete Inc.; and evaluating appropriateness of the past provision for obsolete and slow-moving inventories by the management.

### **Responsibilities of Management and Governing Body 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 the 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 ability of Mildef Crete Inc. 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 Mildef Crete Inc. or to cease operations, or has no realistic alternative but to do so.

The governing body, including the audit committee, are responsible for overseeing the financial reporting process of Mildef Crete Inc.

### **Accountants' 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 misstatements resulting from fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high degree of assurance, but audits performed in accordance with audit standards cannot guarantee that the existence of material misstatements in an audit will be detected. Misstatements might arise from fraud or error. They 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, 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 resulting from 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misstatement, or 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 the purpose is not to express an opinion on the effectiveness of the internal control of Mildef Crete Inc.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the verification evidence obtained, the conclusion is drawn as to whether there is a material uncertainty regarding the appropriateness of management adopting a going concern accounting basis and the event or circumstance that may raise significant doubts on the ability of Mildef Crete Inc. 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 evidences obtained up to the date of our auditors' report. However, future events or conditions may cause Mildef Crete Inc. to cease to continue as a going concern.
5. Evaluate the overall expression, structure and content of the parent company only financial reports (including related notes) and whether the parent company only financial reports are fair presentation of related transactions and events.
6. Obtain sufficient and appropriate audit evidence on the financial information of the invested company by using the equity method to express opinions on the parent company only financial statements. We are responsible for direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion issued in respect of the parent company only financial statements.

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

We also provide governing body a statement that we have complied with relevant ethical requirements regarding independence, and 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 the governing body, we determine those matters that are significant in the audit of the parent company only financial statements of Mildef Crete Inc. of year 2022. 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.

KPMG Taiwan

CPA: Wei-Ming Shi

Mei-Yan Chen

Competent Securities Authority's  
Approval Document No.  
March 23, 2023

Jin-Guan-Zheng-VI Zi No. 0950103298  
: (88) Tai-Cai-Zheng (VI) No.18311



## Unit: NT\$ thousand

**(Please read the accompanying notes to the parent company only financial statements)**

**Accounting Supervisor: Ya-Ping, Liu**

# Mildef Crete Inc.

## Statement of Comprehensive Income

January 1 to 31 December, 2022 and January 1 to 31 December, 2021

Unit: NT\$ thousand

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6 (15) and 7)	\$ 2,706,970	100	2,807,558	100
5000	Operating cost (Note 6 (4), (6), (7), (8), (10), (11), (16), 7 and 12)	2,182,095	81	2,217,965	79
	Gross operating profit	524,875	19	589,593	21
5910	Minus: Realized gain from sales	-	-	(4,488)	-
	Realized gross operating profit	524,875	19	594,081	21
	Operating expenses (Note 6 (6), (7), (8), (9), (11), (16), 7 and 12):				
6100	Selling and marketing expenses	175,311	6	182,778	6
6200	General and administrative expenses	41,035	1	42,356	2
6300	Research and development expenses	69,796	3	65,491	2
	Total operating expenses	286,142	10	290,625	10
	Net operating profit	238,733	9	303,456	11
	Non-operating income and expenses:				
7100	Interest income (Note 6 (17))	8,827	-	8,233	-
7010	Other income (Note 6 (9) and (17))	18,094	1	10,456	-
7020	Other gains and losses (Note 6 (17) and (18))	13,383	1	(5,371)	-
7375	Share of the profit of subsidiaries and associates accounted for using the equity method (Note 6 (5))	13,382	-	(17,800)	-
7225	Gains on disposal of investments (Note 6 (5))	-	-	496,607	18
7510	Finance costs (Note 6 (9) and (17))	(479)	-	(304)	-
	Total non-operating income and expenses	53,207	2	491,821	18
	Net profit before tax	291,940	11	795,277	29
7950	Minus: Income tax expense (Note 6 (12))	63,670	3	157,085	6
	Current net profit	228,270	8	638,192	23
8300	Other comprehensive profit or loss:				
8310	Items not reclassified as profit or loss				
8311	Remeasurement of defined benefit plans (Note 6 (11) and (13))	15,452	1	1,688	-
8316	Unrealized gains on equity investments at fair value through other comprehensive profit or loss (Note 6 (13) and (18))	330,478	12	166,995	6
8349	Minus: Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 6 (12))	70,159	2	33,486	1
	Total amount of items not reclassified to profit or loss	275,771	11	135,197	5
8360	Items that may be reclassified subsequently to profit or loss				
8380	Share of the other comprehensive profit or loss of associates accounted for using the equity method (Note 6 (5) and (13))	-	-	14,798	-
8399	Less: Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total amount of items that may be reclassified subsequently to profit or loss	-	-	14,798	-
8300	Other comprehensive profit or loss in current period	275,771	11	149,995	5
	Total amount of other current comprehensive profit or loss	\$ 504,041	19	788,187	28
	Earnings per share (NT\$; (Note 6 (14))				
	Basic earnings per share	\$ 3.89		10.87	
	Diluted earnings per share	\$ 3.83		10.72	

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Yi-Tung, Shen

Manager: Yi-Tung, Shen

Accounting Supervisor: Ya-Ping, Liu

**Mildef Crete Inc.**  
**Statement of Changes in Equity**  
**January 1 to 31 December, 2022 and January 1 to 31 December, 2021**

**Unit: NT\$ thousand**

	Retained earnings						Other Equity Items				Total equity
	Capital stock - ordinary shares	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	Share of the other comprehensive profit or loss of associates accounted for using the equity method	Unrealized gain/loss on financial assets at fair value through other comprehensive profit or loss	Defined benefits plans remeasurement	Total	
<b>Balance on January 1, 2021</b>	\$ 586,855	72,650	421,570	52,277	516,192	990,039	(14,798)	(9,783)	(20,360)	(44,941)	1,604,603
Current net profit	-	-	-	-	638,192	638,192	-	-	-	-	638,192
Other comprehensive profit or loss in current period	-	-	-	-	-	-	14,798	133,847	1,350	149,995	149,995
Total amount of other current comprehensive profit or loss	-	-	-	-	638,192	638,192	14,798	133,847	1,350	149,995	788,187
Appropriation and distribution of earnings:											
Legal reserve	-	-	34,611	-	(34,611)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(7,335)	7,335	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(264,085)	(264,085)	-	-	-	-	(264,085)
Changes in capital surplus from investments in associates accounted for using the equity method	-	37,626	-	-	-	-	-	-	-	-	37,626
Disposal of associates by equity method	-	(37,626)	-	-	-	-	-	-	-	-	(37,626)
Differences between equity price paid and book value of subsidiaries acquired	-	-	-	-	(2,488)	(2,488)	-	-	-	-	(2,488)
<b>Balance on December 31, 2021</b>	586,855	72,650	456,181	44,942	860,535	1,361,658	-	124,064	(19,010)	105,054	2,126,217
Current net profit	-	-	-	-	228,270	228,270	-	-	-	-	228,270
Other comprehensive profit or loss in current period	-	-	-	-	-	-	-	263,409	12,362	275,771	275,771
Total amount of other current comprehensive profit or loss	-	-	-	-	228,270	228,270	-	263,409	12,362	275,771	504,041
Appropriation and distribution of earnings:											
Legal reserve	-	-	63,570	-	(63,570)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(44,942)	44,942	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(217,137)	(217,137)	-	-	-	-	(217,137)
<b>Balance on December 31, 2022</b>	\$ 586,855	72,650	519,751	-	853,040	1,372,791	-	387,473	(6,648)	380,825	2,413,121

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Yi-Tung, Shen

Manager: Yi-Tung, Shen

Accounting Supervisor: Ya-Ping, Liu

**Mildef Crete Inc.**  
**Statement of Cash Flows**

**January 1 to 31 December, 2022 and January 1 to 31 December, 2021**

Unit: NT\$ thousand

	Year 2022	Year 2021
<b>Cash flows from operating activities:</b>		
Net income before tax	\$ 291,940	795,277
<b>Adjustments for:</b>		
<b>Profit and loss</b>		
Depreciation expense	41,507	40,950
Amortization expense	5,139	4,653
Net gain on financial assets at fair value through profit or loss	(225)	(357)
Interest expenses	479	304
Interest income	(8,827)	(8,233)
Dividend income	(16,338)	(8,844)
Share of gain/loss of associates recognized under equity method	(13,382)	17,800
Gain on disposal of investments	-	(496,607)
Realized gain on sales of goods	-	(4,488)
Total profit and loss	8,353	(454,822)
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Increase in notes and accounts receivable	(30,173)	(42,003)
Decrease(increase) in accounts receivable - related parties	(5,307)	156,740
Increase in inventories	(135,418)	(55,114)
Increase in other current assets	(6,749)	(2,452)
Total net changes in assets related to operating activities	(177,647)	57,171
Net changes in liabilities related to operating activities:		
Increase (decrease) in contract liabilities	(17,247)	41,578
Increase (decrease) in notes payable	25,860	(22,000)
Increase in accounts payable	39,371	9,246
Increase (decrease) in other payables - related parties	2,010	(900)
Increase (decrease) in provision for guarantee liabilities	2,320	(3,261)
Decrease in payables and other current liabilities	(11,210)	(352)
Decrease in net defined benefit liabilities	(8,794)	(3,148)
Total amount of net changes in liabilities related to operating activities	32,310	21,163
Total amount of net changes in assets and liabilities related to operating activities	(145,337)	78,334
Total adjustments	(136,984)	(376,488)
<b>Net cash generated from/(used in) operations</b>	154,956	418,789
Interest received	8,827	8,233
Income tax paid	(82,085)	(95,442)
<b>Net cash inflow from operating activities</b>	81,698	331,580
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at fair value through profit or loss	(20,000)	(330,000)
Disposal of financial assets at fair value through profit or loss	120,260	330,327
Disposal of investments accounted for using the equity method	-	77,185
Acquisition of property, plant and equipment	(15,293)	(12,991)
Decrease (increase) in other non-current assets	1	(196)
Acquisition of intangible assets	(4,520)	(8,304)
Decrease in other financial assets	39,920	9,000
Dividends received (including associates)	26,002	33,574
Net cash inflow from investing activities	146,370	98,595
<b>Cash flows from financing activities:</b>		
Payment of the principal portion of lease liabilities	(27,626)	(26,706)
Payments of cash dividends	(217,137)	(264,085)
Non-controlling interests gained from subsidiaries	-	(6,857)
Interests paid	(479)	(304)
<b>Net cash outflow of financing activities</b>	(245,242)	(297,952)
Increase (decrease) in cash and cash equivalents in this period	(17,174)	132,223
Opening balance of cash and cash equivalents	445,347	313,124
Closing balance of cash and cash equivalent	<b>\$ 428,173</b>	<b>445,347</b>

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Yi-Tung, Shen

Manager: Yi-Tung, Shen

Accounting Supervisor: Ya-Ping, Liu

## **Statement**

The companies of which the consolidated financial statements for affiliates shall include the Company's for the Year 2021 (from January 1 to December 31) as stipulated by the Standards for Preparing Affiliates' Business Reports, Consolidated Financial Statements and Relationship Reports are the same as those to be included in the consolidated financial statements of the parent company and its subsidiaries as recognized by the Financial Supervisory Commission and specified by the valid International Financial Reporting Standard 10. All related information which shall be disclosed in the affiliates' consolidated financial statements have been disclosed in the foregoing consolidated financial statements of the parent company and its subsidiaries. Hence, the affiliates' consolidated financial statements are no longer prepared.

A statement is hereby specially made.

Name of the Company: Mildef Crete Inc.

Chairman: Shen-Yi Tung

Date: March 17, 2022

## **Accountants' Audit Report**

To the Board of Directors of Mildef Crete Inc.

### **Opinion**

We have audited consolidated balance sheets of Mildef Crete Inc. as of December 31, 2021 and 2020, as well as statements of comprehensive income, changes in equity and cash flows for the periods from January 1 to December 31, 2021 and 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements have been prepared in all material aspects according to the the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission. They fairly present financial position of Mildef Crete Inc. as of December 31, 2021 and 2020, its financial performance and cash flow for the periods from January 1 to December 31, 2021 and 2020.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. 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 Mildef Crete Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Mildef Crete Inc. and its subsidiaries for the year 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that they key audit matters to be communicated in the audit report are as follows:

#### **Inventory Valuation**

As to detailed accounting policies related to inventory valuation refer to Note 4 (8) to the consolidated financial statements; for details on estimation and hypothesis uncertainty of inventory valuation, refer to Note 5 to the consolidated financial statements; concerning provision for

Write-downs of inventories and obsolescence losses, refer to Note 6 (4) to the consolidated financial statements.

Explanations of key audit matters:

Inventories shall be measured based on the cost or the net realizable value whichever is lower. Mildef Crete Inc. and its subsidiaries are engaged in manufacturing and selling rugged computers. Generally, lifecycle of rugged computers is long. In consideration of businesses, inventories shall be maintained for certain key components in a relatively long term. However, future requirements might change. As a consequence, related components would not be sold as expected and their inventories would become obsolete and slow-moving. In that case, inventory costs would exceed their net realizable value. The net realizable value of inventories has to be estimated dependent upon subjective judgment of the management, so inventory valuation is one of important matters for evaluation in our audit of financial statements of Mildef Crete Inc. and its subsidiaries.

Corresponding audit procedures:

Our audit procedures performed in respect of the above key audit matter mainly included checking the inventory aging reports provided by Mildef Crete Inc. and its subsidiaries and analyzing changes in inventory age in different phases; randomly checking correctness of the inventory aging reports; performing inventory valuation and confirming implementation of existing accounting policies by Mildef Crete Inc. and its subsidiaries; and evaluating appropriateness of the past provision for obsolete and slow-moving inventories by the management.

#### **Other matters**

Mildef Crete Inc. has prepared standalone financial statements for 2021 and 2020, and we have issued an auditors' report with unqualified opinions for reference.

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

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission, 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 abilities of Mildef Crete Inc. and its subsidiaries 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 Mildef Crete Inc. and its subsidiaries or to cease their operations, or has no realistic alternative but to do so.

Those of Mildef Crete Inc. and its subsidiaries charged with governance, including the audit committee, are responsible for overseeing the financial reporting processes.

#### **Accountants' 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 general accepted auditing standards will always detect a material misstatement when it exists. Misstatements might arise from fraud or error. They 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, 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 internal control of Mildef Crete Inc. and its subsidiaries.
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 ability of Mildef Crete Inc. and its subsidiaries 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 Mildef Crete Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities 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 responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of 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 key matters in the audit of the consolidated financial statements of Mildef Crete Inc. and its subsidiaries for the year 2021. 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.

KPMG

Accountant:

Competent Securities Authority's	Jin Guan Zheng Liu Zi No.0950103298
Approval Document No.	(88) Tai Cai Zheng (Liu) No.18311
March 17, 2022	

**Mildef Crete Inc. and Its Subsidiaries**  
**Consolidated balance sheets**  
**For Years 2021 and 2020 Ended on December 31, 2020**

**Unit: In Thousands of New Taiwan Dollars**

		<b>110.12.31</b>		<b>109.12.31</b>				<b>110.12.31</b>		<b>109.12.31</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>						<b>Liabilities and equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6 (1) )	\$ 500,086	17	355,143	15	2130	Contract liabilities - current (Notes 6 (16) and 7)	\$ 263,911	9	222,333	10
1110	Financial assets at fair value through profit or loss - current (Note 6 (2) )	120,065	4	120,035	5	2150	Notes payable	24,588	1	46,930	2
1150	Net amount of notes and accounts receivable (Note 6 (3) (16))	65,356	2	23,353	1	2170	Accounts payable	106,155	3	100,840	4
1180	Net amount of accounts receivable - related parties (Note 6 (3) (16) and (7))	6,376	-	163,116	7	2209	Payables (Note 6 (17))	116,163	4	114,764	5
130X	Inventories (Note 6 (4))	901,160	31	861,968	38	2220	Other payables-related party (Note 7)	-	-	900	-
1476	Other financial assets - current (Note 6 (1))	246,020	8	255,020	11	2230	Current income tax liabilities	58,919	2	50,918	2
1479	Other current assets	19,960	1	16,172	1	2280	Lease liabilities-current (Note 6 (10))	22,898	1	20,216	1
	Total current assets	1,859,023	63	1,794,807	78	2399	Other current liabilities	392	-	362	-
<b>Non-current assets:</b>						2322	Long-term loans due within one year (Notes 6 (9) and 8)	1,751	-	2,101	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (2))	724,022	25	23,431	1		<b>Total</b>	594,777	20	559,364	24
1550	Investments accounted for using the equity method (Note 6 (5))	-	-	137,357	6		<b>Non-current liabilities:</b>				
1600	Property, plant and equipment (Notes 6 (6) and 8)	242,238	8	246,987	11	2540	Long-term loans (Notes 6 (9) and 8)	-	-	1,751	-
1755	Right-of-use assets (Note 6 (7))	51,511	2	24,508	1	2552	Provisions for warranty liabilities (Note 6 (11))	4,535	-	7,796	-
1780	Intangible assets (Note 6 (8))	7,765	-	4,114	-	2570	Deferred income tax liabilities (Note 6 (13))	137,055	5	49,271	2
1840	Deferred income tax assets (Note 6 (13))	68,010	2	66,487	3	2580	Lease liabilities-non-current (Note 6 (10))	28,629	1	4,506	-
1990	Other non-current assets (Note 8)	5,600	-	5,405	-	2640	Net defined benefit liabilities-non-current (Note 6 (12))	52,983	2	57,819	3
	Total non-current assets	1,099,146	37	508,289	22		<b>Total non-current liabilities</b>	223,202	8	121,143	5
							<b>Total</b>	817,979	28	680,507	29
						<b>Equity attributed to owners of the parent company (Note 6 (14)):</b>					
						3110	Ordinary share capital	586,855	20	586,855	25
						3200	Capital surplus	72,650	2	72,650	3
						3300	Retained earnings	1,361,658	46	990,039	43
						3400	Other equity	105,054	4	(44,941)	(1)
							Equity attributed to owners of the parent company	2,126,217	72	1,604,603	70
							Non-controlling interests	13,973	-	17,986	1
							<b>Total equity</b>	2,140,190	72	1,622,589	71
<b>Total</b>		<b>\$ 2,958,169</b>	<b>100</b>	<b>2,303,096</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 2,958,169</b>	<b>100</b>	<b>2,303,096</b>	<b>100</b>

(For details, please refer to notes to the consolidated financial statements)

**Chairman: Yi-Tung, Shen**

**Manager: Yi-Tung, Shen**

**Accounting Manager: Ya-Ping, Liu**

**Mildef Crete Inc. and Its Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**From January 1 to December 31, 2021 and 2020**

Unit: In Thousands of New Taiwan Dollars

		<b>2021</b>		<b>2020</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Notes 6 (16), 7 and 14)</b>	\$ 2,807,705	100	2,975,826	100
5000	<b>Operating costs (Notes 6 (3) (4) (6) (7) (8) (10) (12) (17), 7 and 12)</b>	<u>2,192,100</u>	<u>78</u>	<u>2,294,514</u>	<u>77</u>
	<b>Gross operating profit</b>	615,605	22	681,312	23
5910	Minus: Realized gain from sales	<u>(4,488)</u>	<u>-</u>	<u>(1,636)</u>	<u>-</u>
	<b>Realized gross operating profit</b>	<u>620,093</u>	<u>22</u>	<u>682,948</u>	<u>23</u>
	<b>Operating expenses (Notes 6 (6) (7) (8) (10) (12) (17), 7 and 12)</b>				
6100	Selling and marketing expenses	182,778	6	190,601	7
6200	General and administrative expenses	47,276	2	48,910	2
6300	Research and development expenses	<u>65,491</u>	<u>2</u>	<u>72,224</u>	<u>2</u>
	<b>Total operating expenses</b>	<u>295,545</u>	<u>10</u>	<u>311,735</u>	<u>11</u>
	<b>Net operating profit</b>	<u>324,548</u>	<u>12</u>	<u>371,213</u>	<u>12</u>
	<b>Non-operating income and expenses:</b>				
7100	<b>Interest income (Note 6 (18))</b>	8,247	-	8,169	-
7010	Other income (Note 6 (18))	10,491	-	10,816	-
7020	Other gains and losses (Note 6 (18) and (19))	(5,371)	-	(9,858)	-
7060	Share of the profit (loss) of associates accounted for using the equity method (Note 6 (5))	(24,862)	(1)	42,127	2
7225	Gains on disposal of investments (Note 6 (5))	496,607	18	-	-
7510	Finance costs (Note 6 (10) and (18))	<u>(483)</u>	<u>-</u>	<u>(711)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>484,629</u>	<u>17</u>	<u>50,543</u>	<u>2</u>
	<b>Net profit before tax</b>	809,177	29	421,756	14
7951	<b>Minus: income tax expense (Note 6 (13))</b>	<u>164,802</u>	<u>6</u>	<u>92,260</u>	<u>3</u>
	<b>Current net profit</b>	<u>644,375</u>	<u>23</u>	<u>329,496</u>	<u>11</u>
8300	<b>Other comprehensive income/(loss):</b>				
8310	<b>Items not reclassified as income and loss</b>				
8311	Remeasurement of defined benefit plans (Note 6 (12))	1,688	-	(5,334)	-
8316	Unrealized gain on investments in equity instruments as at fair value through other comprehensive income (Note 6 (19))	166,995	6	25,838	1
8349	Minus: Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 6 (13))	<u>33,486</u>	<u>1</u>	<u>(1,066)</u>	<u>-</u>
	<b>Total amount of items not reclassified to profit or loss</b>	<u>135,197</u>	<u>5</u>	<u>21,570</u>	<u>1</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8370	Share of the other comprehensive income (loss) of associates accounted for using the equity method	14,798	-	8,605	-
8399	Minus: Income tax relating to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total amount of items that may be reclassified subsequently to profit or loss</b>	<u>14,798</u>	<u>-</u>	<u>8,605</u>	<u>-</u>
8300	<b>Other comprehensive income/(loss)</b>	<u>149,995</u>	<u>5</u>	<u>30,175</u>	<u>1</u>
	<b>Total amount of other current comprehensive gains and losses</b>	<u>\$ 794,370</u>	<u>28</u>	<u>359,671</u>	<u>12</u>
	<b>Net profit/(loss) attributable to</b>				
8610	Owners of the Parent Company	\$ 638,192	23	323,272	11
8620	Non-controlling interests	<u>6,183</u>	<u>-</u>	<u>6,224</u>	<u>-</u>
		<u>\$ 644,375</u>	<u>23</u>	<u>329,496</u>	<u>11</u>
	<b>Total comprehensive income/(loss) attributable to:</b>				
8710	Owners of the Parent Company	\$ 788,187	28	353,447	12
8720	Non-controlling interests	<u>6,183</u>	<u>-</u>	<u>6,224</u>	<u>-</u>
		<u>\$ 794,370</u>	<u>28</u>	<u>359,671</u>	<u>12</u>
	<b>Earnings per share (NT\$: Note 6 (15))</b>				
	<b>Basic earnings per share</b>	<u>\$ 10.87</u>		<u>5.51</u>	
	<b>Diluted earnings per share</b>	<u>\$ 10.72</u>		<u>5.40</u>	

(For details, please refer to notes to the consolidated financial statements)

Chairman: Yi-Tung, Shen

Manager: Yi-Tung, Shen

Accounting Manager: Ya-Ping, Liu

**Mildef Crete Inc. and Its Subsidiaries**  
**Consolidated statements of changes in equity**  
**From January 1 to December 31, 2021 and 2020**

**Unit: In Thousands of New Taiwan Dollars**

	Equity attributable to owners of the parent						Other Equity Items						
	Ordinary share capital	Capital surplus	Legal reserve	Retained earnings		Total	Other comprehensive income/(loss) of associates accounted for using the equity method Share of total profit	Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income/(loss)	Defined benefits Planned remeasureme nt	Total	Total equity attributed to owners of the parent company	Non-controlli ng interests	Total equity
				Special reserve	Unappropriat ed earnings								
<b>Balance on January 1, 2020</b>	\$ 586,855	72,650	393,749	35,482	461,174	890,405	(23,403)	(12,780)	(16,092)	(52,275)	1,497,635	11,762	1,509,397
Current net profit	-	-	-	-	323,272	323,272	-	-	-	-	323,272	6,224	329,496
Other comprehensive income/(loss)	-	-	-	-	-	-	8,605	25,838	(4,268)	30,175	30,175	-	30,175
Total amount of other current comprehensive gains and losses	-	-	-	-	323,272	323,272	8,605	25,838	(4,268)	30,175	353,447	6,224	359,671
Appropriation and distribution of earnings:													
Legal reserve	-	-	27,821	-	(27,821)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	16,795	(16,795)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(246,479)	(246,479)	-	-	-	-	(246,479)	-	(246,479)
Disposal of equity instruments designated at fair value through other comprehensive income/(loss)	-	-	-	-	22,841	22,841	-	(22,841)	-	(22,841)	-	-	-
Balance on December 31, 2020	586,855	72,650	421,570	52,277	516,192	990,039	(14,798)	(9,783)	(20,360)	(44,941)	1,604,603	17,986	1,622,589
Current net profit	-	-	-	-	638,192	638,192	-	-	-	-	638,192	6,183	644,375
Other comprehensive income/(loss)	-	-	-	-	-	-	14,798	133,847	1,350	149,995	149,995	-	149,995
Total amount of other current comprehensive gains and losses	-	-	-	-	638,192	638,192	14,798	133,847	1,350	149,995	788,187	6,183	794,370
Appropriation and distribution of earnings:													
Legal reserve	-	-	34,611	-	(34,611)	-	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	(7,335)	7,335	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(264,085)	(264,085)	-	-	-	-	(264,085)	-	(264,085)
Changes in capital surplus from investments in associates accounted for using the equity method	-	37,626	-	-	-	-	-	-	-	-	37,626	-	37,626
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(5,827)	(5,827)
Investments in associates accounted for using the equity method	-	(37,626)	-	-	-	-	-	-	-	-	(37,626)	-	(37,626)
Differences between equity price paid and carrying amount of subsidiaries acquired	-	-	-	-	(2,488)	(2,488)	-	-	-	-	(2,488)	2,488	-
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6,857)	(6,857)
<b>Balance on December 31, 2021</b>	<b>\$ 586,855</b>	<b>72,650</b>	<b>456,181</b>	<b>44,942</b>	<b>860,535</b>	<b>1,361,658</b>	<b>-</b>	<b>124,064</b>	<b>(19,010)</b>	<b>105,054</b>	<b>2,126,217</b>	<b>13,973</b>	<b>2,140,190</b>

(For details, please refer to notes to the consolidated financial statements)

**Chairman: Yi-Tung, Shen**

**Manager: Yi-Tung, Shen**

**Accounting Manager: Ya-Ping, Liu**

**Mildef Crete Inc. and Its Subsidiaries**  
**Consolidated statements of cash flows**  
**From January 1 to December 31, 2021 and 2020**

Unit: In Thousands of New Taiwan Dollars

	2021	2020
<b>Cash flows from operating activities:</b>		
Net income before tax	\$ 809,177	421,756
<b>Adjustments for:</b>		
<b>Profit and loss</b>		
Depreciation expense	47,984	47,410
Amortization expense	4,653	2,842
Expected credit loss	-	723
Net gain on financial assets at fair value through profit or loss	(357)	(665)
Interest expense	483	711
Interest income	(8,247)	(8,169)
Dividend income	(8,844)	(9,603)
Share of associates' profit/(loss) accounted for by equity method	24,862	(42,127)
Gain on disposal of property, plant and equipment	-	(175)
Returns on Investments accounted for using the equity method	(496,607)	-
Realized gain on sales of goods	(4,488)	(1,636)
Total profit/(loss)	(440,561)	(10,689)
<b>Changes in assets/liabilities related to operating activities:</b>		
Net changes in assets related to operating activities:		
Notes and accounts receivable	(42,003)	(3,471)
Accounts receivable from related parties	156,740	(45,460)
Inventories	(39,192)	(71,410)
Other current assets	(3,788)	1,080
Total net changes in assets related to operating activities	71,757	(119,261)
Net changes in liabilities related to operating activities		
Contract liabilities	41,578	(9,765)
Notes payable	(22,342)	(6,255)
Accounts payable (including related parties)	5,315	(52,360)
Other payable by related parties	(900)	418
Provisions for warranty liabilities	(3,261)	1,200
Accrued expenses and other current liabilities	1,429	14,681
Net defined benefit liabilities	(3,148)	(2,683)
Total amount of net changes in liabilities related to operating activities	18,671	(54,764)
Total amount of net changes in assets and liabilities related to operating activities	90,428	(174,025)
Total adjustments	(350,133)	(184,714)
<b>Net cash generated from/(used in) operations</b>	459,044	237,042
Interest received	8,247	8,169
Income tax paid	(104,026)	(77,022)
<b>Net cash inflow from operating activities</b>	363,265	168,189
<b>Cash flows from investing activities:</b>		
Disposal of financial assets at fair value through other comprehensive income	-	67,136
Purchase of financial assets at fair value through profit or loss	(330,000)	(260,000)
Disposal of financial assets at fair value through profit or loss	330,327	269,870
Disposal of investments accounted for using the equity method	77,185	-
Acquisition of property, plant and equipment	(13,343)	(19,055)
Disposal of property, plant and equipment	-	295
Increase in other non-current assets	(195)	(8)
Acquisition of intangible assets	(8,304)	(2,309)
Decrease in other financial assets	9,000	-
Dividends received	26,451	18,476
Net cash inflow from investing activities	91,121	74,405
<b>Cash flows from financing activities:</b>		
Repayments of long-term loans	(2,101)	(3,553)
Payment of the principal portion of lease liabilities	(30,090)	(29,548)
Payments of cash dividends	(264,085)	(246,479)
Dividends paid to non-controlling interests	(5,827)	-
Non-controlling interests gained from subsidiaries	(6,857)	-
Interests paid	(483)	(711)
<b>Net cash outflow of financing activities</b>	(309,443)	(280,291)
<b>Increase (decrease) in cash and cash equivalents</b>	144,943	(37,697)
<b>Opening balance of cash and cash equivalents in the consolidated statements of cash flows</b>	355,143	392,840
<b>Closing balance of cash and cash equivalents in the consolidated statements of cash flows</b>	<b>\$ 500,086</b>	<b>355,143</b>

Annex IV

Mildef Crete Inc. Statement of Earnings Distribution <u>2022</u> Unit: New Taiwan dollars	
Item	Amount
Undistributed earnings at the beginning of the period	624,771,315
Add: Net profit after tax for 2022	228,269,650
Less: Appropriation of legal reserve	(22,826,965)
Distributable earnings for the current year	830,214,000
Distributed items:	
Shareholder dividends-Cash (@ 3.6)	(211,267,969)
Undistributed earnings at the end of period	618,946,031

Chairperson:  
Yi-Tung, Shen

General Manager:  
Yi-Tung, Shen

Accounting Supervisor:  
Ya-Ping, Liu

## Annex V

### Mildef Crete Inc.

#### Table of Comparison of the Articles of Association Before and After Revision

Revised article	After revision	Before revision	Reasons for revision
	Chapter IV Directors	Chapter IV Directors <del>and supervisors</del>	The Company has established the Audit Committee to perform the functions and powers of supervisors.
<u>Article 9-2</u>	<u>The Company's shareholders' meeting may be held by video conferencing or other means announced by the central competent authority. Relevant regulations such as the conditions, operating procedures, and other matters to be complied with for the adoption of video conferencing, if otherwise stipulated by the competent authority, shall prevail.</u>		Made in accordance with laws and actual needs
Article 22	The Article was enacted on March 8, 1990. 1st amendment made on May 5, 1990. 2nd amendment made on October 1, 1990. (...) 22nd amendment made on June 8, 2016. 23rd amendment made on June 18, 2020. 24th amendment made on July 15, 2021. <u>25th amendment made on June 14, 2023.</u>	The Article was enacted on March 8, 1990. 1st amendment made on May 5, 1990. 2nd amendment made on October 1, 1990. (...) 22nd amendment made on June 8, 2016. 23rd amendment made on June 18, 2020. 24th amendment made on July 15, 2021.	Added date of revision

## Annex VI

### Mildef Crete Inc.

#### Table of Comparison of the Rules of Procedure for the Shareholders' Meeting Before and After Revision

Revised article	After revision	Before revision	Reasons for revision
Article 3	<p>Unless otherwise provided by law, the shareholders' meeting shall be convened by the Board of Directors.</p> <p><b><u>Any change in the method of holding the shareholders' meeting shall be resolved by the Board of Directors and shall be made before the mailing of the notice of the shareholders' meeting.</u></b></p> <p>Thirty days before the Company convenes a regular shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the the Market Observation Post System. Twenty-one days before the Company is to convene a regular shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. <b><u>However, in the case of the Company's paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders'</u></b></p>	<p>Unless otherwise provided by law, the shareholders' meeting shall be convened by the Board of Directors.</p> <p>Thirty days before the Company convenes a regular shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the the Market Observation Post System. Twenty-one days before the Company convenes a regular shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare an electronic file of the shareholders' meeting handbook and the supplemental materials, and upload them to the the Market Observation Post System.</p>	Made in accordance with the law



	<p><b><u>meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.</u></b></p> <p>The Company shall, 15 days before the scheduled date of the shareholders' meeting, prepare the shareholders' meeting handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent.</p> <p><b><u>The handbook and supplemental materials under the preceding paragraph shall be provided for review by the shareholders by the following means on the date the shareholder's meeting is convened:</u></b></p> <ol style="list-style-type: none"> <li><b><u>1. If the Company convenes a physical shareholder's meeting, it shall distribute them on-site at the shareholder's meeting.</u></b></li> <li><b><u>2. If the Company convenes a hybrid shareholder's meeting, it shall distribute them on-site at the shareholder's meeting and upload the electronic files to the video conferencing platform.</u></b></li> <li><b><u>3. If the company convenes a virtual-only shareholder's meeting, it shall upload the electronic files to the video conferencing platform.</u></b></li> </ol> <p>(Hereinafter omitted)</p>	<p>The Company shall, 15 days before the scheduled date of the shareholders' meeting, prepare the shareholders' meeting handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, - <del>the Company shall distribute it on-site at the shareholder's meeting.</del></p> <p>(Hereinafter omitted)</p>	
--	---	--	--

Article 4	<p>A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.</p> <p>A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.</p> <p>After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p> <p><b><u>After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power by way of video conferencing, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</u></b></p>	<p>A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.</p> <p>A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.</p> <p>After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p>	Made in accordance with the law
-----------	---	---	---------------------------------

Article 5	<p>The shareholders' meeting shall be held at the place where the Company is located or at a place convenient for the attendance of directors and suitable for the holding of the meeting. It shall not be held earlier than 9:00 a.m. or later than 3:00 p.m. The place and time of such meeting shall take full account of the opinions of the independent directors.</p> <p><b><u>If the Company hold a shareholders' meeting by video conferencing, it shall not be subject to the restriction on the venue of the meeting referred to in the preceding paragraph.</u></b></p>	<p>The shareholders' meeting shall be held at the place where the Company is located or at a place convenient for the attendance of directors and suitable for the holding of the meeting. It shall not be held earlier than 9:00 a.m. or later than 3:00 p.m. The place and time of such meeting shall take full account of the opinions of the independent directors.</p>	Made in accordance with the law
Article 6	<p>The Company shall set out in the meeting announcement the time and place of registration and other matters that shall be noted for the <b><u>shareholders, solicitors, and proxy agents (hereinafter collectively referred to as shareholders).</u></b></p> <p>The registration time for the shareholders referred to in the preceding paragraph shall be at least 30 minutes before the commencement of the meeting. The registration office shall be clearly marked and a sufficient number of qualified personnel shall be assigned to handle the registration; <b><u>The registration for the video conferencing of the shareholders' meeting shall be handled on the video conferencing platform of the shareholders' meeting three minutes prior to the commencement of the meeting. The shareholders who have completed the registration shall be deemed to have attended the meetings in person. Shareholders</u></b> shall attend the shareholders' meeting by presenting their attendance cards, sign-in cards, or other certificates of attendance. The Company shall not arbitrarily require additional documents to be provided in support of the attendance of shareholders; The solicitors of power of attorneys shall bring identity documents for</p>	<p>The Company shall set out in the meeting announcement the time and place of registration and other matters that shall be noted for the shareholders.</p> <p>The registration time for the shareholders referred to in the preceding paragraph shall be at least 30 minutes prior to the commencement of the meeting; The registration office shall be clearly marked and a sufficient number of qualified personnel shall be assigned to handle the registration. Shareholders <del>—or proxies appointed by shareholders (hereinafter collectively referred to as the shareholders)</del> shall attend the shareholders' meeting by presenting their attendance cards, sign-in cards, or other certificates of attendance. The Company shall not arbitrarily require additional documents to be provided in support of the attendance of shareholders; The solicitors of power of attorneys shall bring identity documents for verification.</p>	Made in accordance with the law

	<p>verification.</p> <p>The Company shall provide a signature book for shareholders to sign in, or shareholders shall submit their sign-in cards to sign in. The Company shall distribute meeting handbooks, annual reports, attendance cards, speaker slips, votes and other meeting materials to the shareholders present at the shareholders' meeting; in the case of election of directors, ballots shall be attached.</p> <p>If the government or legal person is a shareholder, the representative attending the shareholders' meeting shall not be limited to one person. If a legal person is entrusted to attend a shareholders' meeting, only one representative shall be appointed to attend the meeting.</p> <p><b><u>If the shareholders' meeting is held by video conferencing, shareholders who wish to attend the meeting by video conferencing shall register with the Company two days prior to the meeting.</u></b></p> <p><b><u>If a shareholders' meeting is held by video conferencing, the Company shall upload the meeting handbook, annual report and other relevant information to the video conferencing platform at least 30 minutes prior to the commencement of the meeting and disclose them until the end of the meeting.</u></b></p>	<p>The Company shall provide a signature book for shareholders to sign in, or shareholders shall submit their sign-in cards to sign in. The Company shall distribute meeting handbooks, annual reports, attendance cards, speaker slips, votes and other meeting materials to the shareholders present at the shareholders' meeting; in the case of election of directors, ballots shall be attached. If the government or legal person is a shareholder, the representative attending the shareholders' meeting shall not be limited to one person. If a legal person is entrusted to attend a shareholders' meeting, only one representative shall be appointed to attend the meeting.</p>	
--	---	--	--

Article <u>6 (1)</u>	<p><u>If the Company convenes the shareholders' meeting by video conferencing, the following matters shall be stated in the notice of convening the shareholders' meeting:</u></p> <p><u>I. Methods for shareholders to participate in video conferencing and exercise their rights.</u></p> <p><u>II. The handling methods for the obstacles caused by natural disasters, accidents or other force majeure events to the video conferencing platform or to the participation by means of video conferencing shall at least include the following matters:</u></p> <p><u>(I) To what time the meeting is postponed or from what time the meeting will resume if the above disruption continues and cannot be eliminated, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>(II) Shareholders who have not registered to take part by video conferencing in the originally scheduled shareholders' meeting shall not take part by video conferencing in the postponed or reconvened meeting.</u></p> <p><u>(III) When the Company convenes a hybrid shareholders' meeting, if the video conferencing cannot be continued, then if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders meeting by video conferencing, meets the legal quorum for holding a shareholders'</u></p>		Made in accordance with the law
----------------------	--	--	---------------------------------

	<p><u>meeting, the shareholders meeting shall continue in session. The number of shares represented by the shareholders, proxy solicitors, or proxy agents who were attending the shareholders' meeting by video conferencing shall be counted toward the total number of shares represented by the shareholders attending the meeting, but they shall be deemed to have waived their voting rights on all proposals at that shareholders' meeting.</u></p> <p>(IV) <u>Measures to be taken if the results of all proposals have been announced but extemporary motions have not yet been proceeded with.</u></p> <p><u>III.If the Company convenes the video conferencing, it shall specify appropriate alternative measures available to shareholders who have difficulty taking part in the video conferencing.</u></p>		
Article 8	<p>The Company shall make continuous and uninterrupted audio and video recordings of the whole process of shareholder registration, meeting and vote counting.</p> <p>The audio and video recording of the video conferencing referred to in the preceding paragraph shall be kept for at least one year. If, however, a shareholder brings an action pursuant to Article 189 of the Company Act, the information shall be kept until the conclusion of the action.</p> <p><u>If the Company convenes a shareholders' meeting with video conferencing, it shall keep and preserve records of information on matters including shareholder registration, registration for</u></p>	<p>The Company shall make continuous and uninterrupted audio and video recordings of the whole process of shareholder registration, meeting and vote counting.</p> <p>The audio and video recording of the video conferencing referred to in the preceding paragraph shall be kept for at least one year. If, however, a shareholder brings an action pursuant to Article 189 of the Company Act, the information shall be kept until the conclusion of the action.</p>	Made in accordance with the law

	<p><b><u>participation in video conferencing, sign-in, raising of questions, voting, and the results of the votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the video conferencing from beginning to end.</u></b></p> <p><b><u>The information and audio and video recording under the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the entity engaged to handle video conferencing matters.</u></b></p> <p><b><u>If the shareholders' meeting is held by video conferencing, the Company shall make audio and video recordings of the background operation interface of the video conferencing platform.</u></b></p>		
Article 9	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <b><u>and the shares checked in on the video conferencing platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</u></b></p> <p>The chairman shall call the meeting to order at the appointed meeting time <b><u>and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u></b></p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still</p>	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.</p> <p>The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is</p>	Made in accordance with the law

	<p>represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned; <b><u>In the event of a video conferencing, the Company shall also declare the meeting adjourned on the video conferencing platform.</u></b></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month; <b><u>In the event of a video conferencing, shareholders intending to attend the meeting by video conferencing shall re-register to the Company in accordance with Article 6.</u></b></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	
Article 11	<p>Before speaking, an attending shareholder shall specify on a speaker slip the subject of the speech, his/her shareholder account number (or attendance card number), and the name registered on the shareholder register. The order in which shareholders speak shall be set by the chairman.</p> <p>A shareholder in attendance who has submitted a speaker slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker slip, the spoken content shall prevail.</p> <p>Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal,</p>	<p>Before speaking, an attending shareholder shall specify on a speaker slip the subject of the speech, his/her shareholder account number (or attendance card number), and the name registered on the shareholder register. The order in which shareholders speak will be set by the chairman.</p> <p>A shareholder in attendance who has submitted a speaker slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker slip, the spoken content shall prevail.</p> <p>Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal,</p>	Made in accordance with the law



	<p>and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.</p> <p>When a legal person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.</p> <p><b><u>Where a video conferencing is convened, shareholders attending the video conferencing may raise questions in writing on the video conferencing platform, from the chairman declaring the meeting open until the chairman declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public on the video conferencing platform.</u></b></p>	<p>and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.</p> <p>When a legal person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.</p>	
Article 13	<p>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 179-2 of the Company Act. When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the</p>	<p>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 179-2 of the Company Act. When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the</p>	<p>Made in accordance with the law</p>

	<p>exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <b><u>or by video conferencing</u></b>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days prior to the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting</p>	<p>exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days prior to the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the</p>	
--	---	---	--

	<p>rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.</p> <p>A resolution shall be deemed to have been passed by all shareholders present without objection after consultation by the chairman, and shall have the same effect as voting by poll; in case of objection, voting by poll shall be conducted in accordance with the provisions of the preceding paragraph.</p> <p>If there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for the proposals or elections made at the shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has</p>	<p>meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.</p> <p>A resolution shall be deemed to have been passed by all shareholders present without objection after consultation by the chairman, and shall have the same effect as voting by poll; in case of objection, voting by poll shall be conducted in accordance with the provisions of the preceding paragraph.</p> <p>If there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for the proposals or elections made at the shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has</p>	
--	--	---	--

	<p>been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p> <p><b><u>If the Company convenes a shareholders' meeting by video conferencing, the shareholders taking part by video conferencing shall cast votes on proposals and elections through the video conferencing platform, and shall complete the casting of their votes before the chair announces the close of voting, or shall be deemed to have abstained from voting.</u></b></p> <p><b><u>If the shareholders' meeting is held by video conferencing, votes shall be counted at once after the chair announces the close of voting, and the results of votes and elections shall be announced immediately.</u></b></p> <p><b><u>When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting by video conferencing in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting by video conferencing.</u></b></p> <p><b><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting by video conferencing, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></b></p>	<p>been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p>	
--	---	--	--

Article 15	<p>Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The Company may distribute the meeting minutes in the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be kept persistently during the continuance of the Company.</p> <p><b><u>If a shareholders' meeting is convened by video conferencing, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, the method of holding the meeting, the chairman's and secretary's names, and actions to be taken in the event of disruption to the video conferencing platform or participation in the video conferencing due to natural disasters, accidents or other force majeure events, and the approaches to solving issues shall also be included in the minutes. In addition to complying with the provisions of the preceding paragraph, the Company shall record in the minutes of the shareholders' meeting held by video conferencing the alternative</u></b></p>	<p>Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The Company may distribute the meeting minutes in the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be kept persistently throughout the life of the Company.</p>	Made in accordance with the law
------------	---	---	---------------------------------

	<b><u>measures to be provided to shareholders who have difficulty in participating in the video conferencing.</u></b>		
Article 16	<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies <b><u>and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u></b>, and shall make an express disclosure of the same at the place of the shareholders meeting; <b><u>In the event of a shareholders' meeting by video conferencing, the Company shall upload the above meeting materials to the video conferencing platform at least 30 minutes before the meeting, and keep these materials disclosed until the end of the meeting.</u></b></p> <p><b><u>If a shareholders' meeting is convened by video conferencing, when the meeting is called to order, the Company shall disclose the total number of shares held by the shareholders present on the video conferencing platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></b></p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting</p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	Made in accordance with the law
<b><u>Article 19</u></b>	<b><u>If the shareholders' meeting is held by video conferencing, after the voting session, the Company shall disclose real-time results of votes and election on the video</u></b>		Made in accordance with the law

	<u>conferencing platform in accordance with the regulations, and this disclosure shall continue at least 15 minutes after the chairman announces the end of the meeting.</u>		
<u>Article 20</u>	<u>If the Company holds a shareholders' meeting by video conferencing, the chairman and the recorder shall be in the same location, and the chairman shall declare the address of their location when the meeting is called to order.</u>		Made in accordance with the law
<u>Article 21</u>	<u>If the shareholders' meeting is held by video conferencing, the Company shall provide shareholders with a simple connection test before the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. If the shareholders' meeting is held by video conferencing, when the meeting is called to order, the chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conferencing platform or participation in the video conferencing is obstructed due to natural disasters, accidents or other force majeure events before the chairman announces the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to take part by video conferencing in the originally scheduled shareholders' meeting shall not take part by video</u>		Made in accordance with the law

	<p><u>conferencing in the postponed or reconvened meeting.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, shareholders, who have registered to take part by video conferencing in the originally scheduled shareholders' meeting and completed sign-in, but do not participate in the postponed or reconvened meeting, the number of shares represented by them and voting rights and election rights exercised by them shall be counted toward the total number of shares, number of voting rights and number of election rights of shareholders represented at the postponed or reconvened meeting.represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no redundant discussion or resolution is required for proposals, or for lists of elected directors and supervisors, for which the votes have already been cast and counted and the results have been announced.</u></p> <p><u>When inability to continue a video conferencing as set out in the second paragraph occurs at a hybrid shareholders' meeting convened by the Company, if the total number of shares represented at the shareholders' meeting after deduction of the number of shares represented through attendance by video conferencing still reaches the legal quorum for convening of the shareholders' meeting, the shareholders' meeting shall continue in session, without need to postpone or reconvene the meeting as set out in the second paragraph.</u></p> <p><u>When it occurs that a shareholders' meeting shall continue in session as set out in the preceding paragraph, the number of shares represented by</u></p>	
--	---	--



	<p><u>the shareholders who were attending the shareholders' meeting by video conferencing shall be counted toward the total number of shares represented by the shareholders attending the meeting, but they shall be deemed to have waived their voting rights on all proposals at that shareholders' meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>With respect to the time periods set out in the following provisions, the Company shall perform the matters provided for therein based on the date of the shareholders' meeting as postponed or reconvened under the second paragraph herein: the latter part of Article 12, and Article 13 paragraph 3, of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5 paragraph 2, Article 44-15, and Article 44-17 paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p>		
<u>Article 22</u>	<p><u>If the Company convenes the video conferencing, it shall provide appropriate alternative measures available to shareholders who have difficulty taking part in the video conferencing.</u></p>		Made in accordance with the law
<u>Article 23</u>	<p>The Rules shall take effect after having been submitted to and approved by a shareholders' meeting. The same shall apply to any amendments thereto.</p>	<p><del>Article 19</del></p> <p>The Rules shall be implemented after being adopted by the shareholders' meeting. The same shall apply to any amendments thereto.</p>	Adjusted in accordance with the revised provisions.

<p><b><u>Article 24</u></b></p>	<p>These Rules were enacted on April 28, 1998.  1st amendment was made on June 19, 2014.  2nd amendment was made on June 9, 2015.  3rd amendment was made on June 18, 2020.  <b><u>4th amendment was made on June 14, 2022.</u></b></p>	<p>These Rules were enacted on April 28, 1998.  1st amendment was made on on June 19, 2014.  2nd amendment was made on June 9, 2015.  3rd amendment was made on June 18, 2020.</p>	<p>Added date of revision</p>
---------------------------------	---	--	-------------------------------

Annex VII  
Mildef Crete Inc.

List of candidates for directors (including independent directors) nominated by the Board of Directors

Title category	Name	Education background	Experience	Present post	Number of shares held	Reasons for continuing to nominate independent directors who have served three consecutive terms
Director	Yi-Tung, Shen	Graduated from the Department of Electronic Engineering, National Taipei University of Technology	Chairman and President of Mildef Crete Inc.	Chairman and President of Mildef Crete Inc.	3,126,244	
Director	Ming-Hsiao, Lu	Graduated from the Department of Mechanical Science, National Taipei University of Technology	•Director of Mildef Crete Inc. •Vice President of Yung Long Engineering Corp.	•Director of Mildef Crete Inc. •Vice President of Yung Long Engineering Corp.	945,563	
Director	Wen-Chun; Tsai	Graduated from the Department of Accounting, Hsing Wu University	•Director of Mildef Crete Inc. •Auditor of Motech Industries Inc.	•Director of Mildef Crete Inc. •Auditor of Motech Industries Inc. •Independent Director of Farcent Enterprise Co., Ltd.	15,139	
Director	Nankang Rubber Tire Corp., Ltd. Representative: Chun-Ying, Lin		Director of Mildef Crete Inc.	Director of Mildef Crete Inc.	2,150,829	
Independent Director	Chun-Ming, Wang	Graduated from the Department of Management Sciences, Tamkang University	•Customs Officer, Taipei Customs, Customs Administration, Ministry of Finance •Financial Manager of Dayou Enterprises Ltd. •Chairman of Precision Manufacturing INC	•Chairman of Precision Manufacturing INC •Member of the Board of Directors, Cancer Prevention & Treatment Foundation	0	He has professional experience in accounting, auditing and taxation, and can provide important advice for the operation and management of the Company. Although he has been re-elected as an independent director of the Company for three consecutive terms, the Company still needs his professional expertise. Hence, he can still give full play to his expertise and provide supervision and professional advice to the Board of Directors in addition to exercising his duties as an independent director. Therefore, it is proposed to nominate him as an independent director of the Company in this election.
Independent Director	Hsiao-Lung, Feng	•Graduated from the Graduate Institute of Mass Communication, Fu Jen Catholic University •Graduated from the Harvard Kennedy School, Class 2000 of Senior Managers in Government (SMG)	•Proofreader of China Daily News •Reporter of Broadcasting Corporation of China •Head of the Interview Team, Broadcasting Corporation of China •Chief Director of Broadcasting Corporation of China •Assistant Manager of News Department, Broadcasting Corporation of China •Manager of News Department & Director of News Network, Broadcasting Corporation of China •Spokesman of Broadcasting Corporation of China •Associate Professor-level Technical Expert, Department of Journalism, Shih Hsin University •Part-time Lecturer, Department of Radio, Television and Film, Shih Hsin University •Part-time Lecturer, Department of Journalism & Communication Studies, Fu Jen Catholic University •Part-time Lecturer, Department of Mass Communication, Fu Jen Catholic University	•Consultant, International Community Radio Taipei (ICRT), Taipei International Community Cultural Foundation •Director of Yi-shih Church, Keelung City, Taiwan Province	65,132	He has experience in economics, business and corporate governance, and can provide important advice for the operation and management of the Company. Although he has been re-elected as an independent director of the Company for three consecutive terms, the Company still needs his professional expertise. Hence, he can still give full play to his expertise and provide supervision and professional advice to the Board of Directors in addition to exercising his duties as an independent director. Therefore, it is proposed to nominate him as an independent director of the Company in this election.
Independent Director	Yung-Cheng, Chen	•Master of Law, National Chung Hsing University •Passed the Senior Professional and Technical Examination for Attorneys •Passed the Civil Service Special Examination for Judicial Personnel	Practicing lawyer of Chen Yung Cheng Law Firm	Principal of Chen Yung Cheng Law Firm	0	He has the knowledge of economics, business and legal affairs, and is qualified as a lawyer. His academic experience can provide important advice for the operation and development of the Company. Although he has been re-elected as an independent director of the Company for three consecutive terms, the Company still needs his professional expertise. Hence, he can still give full play to his expertise and provide supervision and professional advice to the Board of Directors in addition to exercising his duties as an independent director. Therefore, it is proposed to nominate him as an independent director of the Company in this election.

The qualifications of the nominees of the above directors (including independent directors) were adopted by the resolution of the 17th meeting of the 13th term of the Board of Directors made on March 23, 2023.

## VIII. Appendix

### Appendix I

#### **Mildef Crete Inc. Procedures for the Selection of Directors**

- Article 1. These Procedures have been formulated in accordance with Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" for the fair, impartial, and open election of directors.
- Article 2. The election (including by-election) and appointment of directors of Mildef Crete Inc. (hereinafter referred to as the Company) shall be governed by the provisions of these Procedures.
- Article 3. The selection of directors of the Company shall take into account the overall composition of the Board of Directors. The composition of the board of directors shall take into account diversity. To implement the diversity of the board members, the Company shall formulate appropriate diversity guidelines for the relevant operation, business pattern and development needs, including but not limited to the following content:
- I. Basic conditions and values: gender, age, nationality, culture, etc.
  - II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.
- The members of the Board of Directors shall possess the knowledge, skills and qualities necessary for the performance of their duties, and they shall have the following abilities:
- I. The ability to make judgments about operations.
  - II. Accounting and financial analysis skills.
  - III. Business management ability.
  - IV. Crisis management capability.
  - V. Knowledge of the industry
  - VI. An international market view.
  - VII. Leadership.
  - VIII. Decision-making ability.
- The following relationships may not exist among more than half of the Company's directors: 1. A spousal relationship; 2. A familial relationship within the second degree of kinship.
- The Company's Board of Directors shall consider adjusting the composition of board members based on the results of the performance evaluation.
- Article 4. The qualifications of independent directors of the Company shall comply with Articles 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
- The appointment of independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with Article 24 of the "Corporate Governance Best Practice Principles for

TWSE/TPEX Listed Companies".

- Article 5. The election of independent directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set forth in Article 192-1 of the Company Act. To examine the qualifications, education background, and the existence of matters set forth in Article 30 of the Company Act of the candidates for independent directors, no other documents evidencing the qualifications shall be added arbitrarily, and the results of the examination shall be provided to shareholders for reference, thus electing qualified independent directors.

Independent directors and non-independent directors shall be elected simultaneously, and the number of independent directors and non-independent directors elected shall be calculated separately.

Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.

If the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. If the number of directors falls short by one third of the total number prescribed in the Company's Articles of Association, the Company shall call an extraordinary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

If the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. If all independent directors are dismissed, an extraordinary shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 6. The cumulative voting method shall be used for election of the directors of the Company. Each share shall 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.

- Article 7. 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. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

- Article 8. The directors of the Company shall be elected in accordance with the number of seats prescribed in the Articles of Association, and those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. If 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.

- Article 9. Before the election, the chairman shall appoint a number of persons with the status of shareholders to perform the relevant duties of vote monitoring and counting. The ballot boxes shall be prepared by the Board of Directors and examined publicly by the vote monitoring personnel before the voting.

- Article 10. The elector shall fill in the electee's name or the name registered on the shareholder register in the "Electee" field on the ballot. Provided, however, that if the government or legal person shareholder is the electee, the name of the government or legal person shall be filled in the "the name registered on the shareholder register" field on the

ballot, and the name of such government or legal person and the names of its representatives shall be filled in; if there are several representatives, the names of their representatives shall be separately filled in.

Article 11. A ballot is invalid under any of the following circumstances:

- I. The ballot is not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words are entered in addition to the electee's name or household name.
- VI. Two or more electees are written on the same ballot.

Article 12. The number of votes shall be calculated on site immediately after the end of the voting, 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 chairman on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the ballot examiners and kept in proper custody for at least one year. If, however, a shareholder brings an action pursuant to Article 189 of the Company Act, the information shall be kept until the conclusion of the action.

Article 13. The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 14. These Procedures were enacted on June 16, 2000, and shall be implemented upon the approval of the shareholders' meeting.

1st amendment made on July 14, 2000.

2nd amendment made on June 21, 2007.

3rd amendment made on June 19, 2008.

4th amendment made on June 6, 2012.

5th amendment made on June 9, 2015.

6th amendment made on July 15, 2021.

## Appendix II

### **Mildef Crete Inc. Rules of Procedure of Shareholders' Meeting**

Article 1: These rules are formulated under Article 5 of the code of practice for the governance of listed and OTC companies to establish a good governance system of the company's shareholders' meeting, improve the supervision function and strengthen the management function.

Article 2: The rules of procedure of the shareholders' meeting of this company shall be under these rules unless otherwise provided by law or the articles of association.

Article 3: The shareholders' meeting of this company shall be convened by the board of directors unless otherwise provided by laws and regulations.

The company shall, thirty days before the meeting of the ordinary shareholders' meeting or fifteen days before the meeting of the extraordinary shareholders' meeting, prepare an electronic file of the meeting notice of the shareholders' meeting, the paper of the power of attorney, the causes and explanatory materials of various proposals such as recognition, discussion, election or removal of directors, etc., and transmit it to the public information observatory. The shareholders' meeting handbook and supplementary information shall make into electronic files and transmitted to the public information observation station twenty-one days before the regular shareholders' meeting or fifteen days before the extraordinary shareholders' meeting

. It shall prepare the meeting handbook and supplementary information of the shareholders' meeting for shareholders to read at any time fifteen days before the shareholders' meeting, display them in the company and the professional stock affairs agency appointed by the company, and distribute them on the spot of the shareholders' meeting.

The notice and announcement shall specify the reasons for the convening.

It shall list and explain the reasons for convening the meeting for the election or removal of directors, alteration of the articles of association, capital reduction, application for suspension of the public offering, director's permission to compete, conversion of earnings to capital increase, conversion of the reserve to capital increase, dissolution, merger, division of the company, or matters in the subparagraphs of paragraph I of article CLXXXV of the company law, and shall not propose by temporary motion; The main contents may place on the website designated by the securities authority or the company, and the website shall specify in the notice.

The reason for convening the shareholders' meeting has stated the full re-election of directors and the date of taking office. The date of taking office shall not change by temporary motion or other means at the same meeting after the re-election of the shareholders' meeting completes.

Shareholders holding more than 1% of the total number of issued shares may submit a written proposal to the company at the regular meeting of shareholders. However, it is limited to one proposal. It will not include in the proposal if there is more than one proposal. However, the board of directors may still include it in the proposal if the shareholder's proposal is a proposal to urge the company to promote the public interest or fulfill its social

responsibility. Furthermore, the board of directors may not list it as a proposal if the proposal proposed by the shareholders falls under any of the circumstances in paragraph IV of article CLXXII-I of the company law.

The company shall announce the acceptance of shareholders' proposals, written or electronic acceptance methods, acceptance places, and acceptance period before the date of suspension of share transfer before the convening of the ordinary meeting of shareholders; The period of acceptance shall not be less than ten days.

A proposal proposed by a shareholder shall be limited to 300 words. The proposal shall not be included in the proposal if it exceeds 300 words; The proposing shareholders shall attend the regular meeting of shareholders in person or entrust others to participate in the discussion of the proposal.

The company shall notify the proposing shareholders of the handling results before the date of the meeting notice of convening the shareholders' meeting and list the proposals under this article in the notice of meeting. As for the proposal of shareholders not included in the proposal, the board of directors shall explain the reasons for not being included in the proposal at the shareholders' meeting.

Article 4: A shareholder may, at each shareholders' meeting, issue a power of attorney specifying the scope of authorization and entrust an agent to attend the shareholders' meeting.

The first one shall prevail for a shareholder who issues a power of attorney and is limited to one person shall deliver it to the company five days before the shareholders' meeting in case of repetition of the power of attorney. However, this restriction shall not apply if the entrustment revokes.

After the power of attorney is delivered to the company, it shall give written notice to the company of revocation of the proxy two days before the shareholders' meeting if a shareholder wishes to attend the shareholders' meeting in person; The voting rights of the proxy present shall prevail In case of cancellation within the time limit.

Article 5: The place of the shareholders' meeting shall be the place where the company is located or where it is convenient for shareholders to attend and suitable for the convening of the shareholders' meeting. The starting time of the meeting shall not be earlier than 9 a.m. or later than 3 p.m. the place and time of the meeting shall give full consideration to the opinions of independent directors.

Article 6: The company shall specify in the meeting notice the time, place, and other matters needing attention for the acceptance of shareholders' registration.

The time for shareholders' registration referred to in the preceding paragraph shall be at least thirty minutes before the commencement of the meeting; The check-in office shall be marked and shall handle by adequate and competent personnel. The shareholder himself or the agent entrusted by the shareholder (hereinafter referred to as the shareholder) shall attend the shareholders' meeting on the strength of the attendance card, attendance card, or other attendance certificates. The company shall not arbitrarily add other supporting documents to the supporting documents on which the shareholder attends; The applicant for the power of attorney shall also bring identity documents for verification. The company shall set up a signature book for the shareholders attending to sign in, or the shareholders attending shall hand in a signature card to sign in on behalf of them.

The company shall deliver the meeting handbook, annual report, attendance card, statement



slip, voting votes, and other meeting materials to the shareholders attending the shareholders' meeting; It shall attach an election ticket if there is an election of directors.

When the government or legal person is a shareholder, it shall not limit to one the number of representatives attending the shareholders' meeting. When a legal person is entrusted to attend the shareholders' meeting, it may only appoint one representative to attend.

Article 7: The chairman shall act as the chairman if a shareholders' meeting convenes by the board of directors. It shall appoint a director to act as his proxy when the chairman asks for leave or is unable to exercise his functions and powers for some reason.

If the chairman fails to appoint an agent, one of the directors shall act as his proxy.

The chairman referred to in the preceding paragraph shall be a director who has been in office for more than six months and has an understanding of the company's financial and operating conditions.

The same applies if the chairman is the representative of a corporate director.

The chairman of the board of directors shall preside over the shareholders' meeting convened by the board of directors in person, and more than half of the directors of the board of directors shall attend in person, and at least one representative of the members of various functional committees shall attend, and the attendance shall record in the meeting minutes of the shareholders' meeting.

The chairman shall be the convener if a shareholders' meeting is convened by a convener other than the board of directors. If there are more than two conveners, one of them shall elect from the other.

The company may appoint its appointed lawyers, accountants, or related personnel to attend the shareholders' meeting as nonvoting delegates.

Article 8: The company shall continuously record and videotape the whole process of shareholders' registration, meeting, and vote to count from the time of accepting shareholders' registration.

The audio-visual materials referred to in the preceding paragraph shall keep for at least one year. However, if a shareholder brings an action under Article CLXXXIX of the company law, it shall keep until the end of the action.

Article 9: Attendance at a shareholders' meeting shall be calculated based on shares. The number of shares present shall be under the signature book or the attendance card submitted.

The chairman shall immediately announce the meeting at the end of the session. However, if the shareholders representing more than half of the total released shares are not present, the chairman may announce the postponement of the meeting. The number of postponements shall limit to two, and the total postponement shall not exceed one hour. The chairman shall announce the adjournment of the meeting if the shareholders representing more than one-third of the total issued shares are still not present after the second delay.

A false resolution may be adopted under paragraph I of Article CLXXV of the company law if the above paragraph is delayed two times and still insufficient and shareholders representing more than one-third of the total number of released shares are present, and each shareholder shall notify of the false resolution to convene the shareholders' meeting within one month.

Before the end of the current meeting, the chairman may resubmit the false resolution to the shareholders' meeting for voting under Article CLXXIV of the company law if the number

of shares represented by the shareholders present reaches more than half of the total issued shares.

Article 10: Its agenda shall determine by the board of directors if a shareholders' meeting is convened by the board of directors. Relevant motions (including interim motions and amendments to the original motion) shall decide by vote on a case-by-case basis. The meeting shall hold under the scheduled agenda and shall not change without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph shall apply *mutatis mutandis* to a shareholders' meeting convened by a person with convening power other than the board of directors.

The chairman shall not announce the adjournment of the meeting without a resolution before the conclusion of the proceedings (including provisional motions).

Other members of the board of directors shall promptly assist the shareholders attending the meeting to formulate procedures by law if the chairman announces the adjournment of the meeting in violation of the rules of procedure, and elect one person as the chairman with the consent of more than half of the voting rights of the shareholders attending the meeting to continue the meeting.

The chairman shall give a full opportunity to explain and discuss the motion and the amendment or interim motion proposed by the shareholders. When they consider that it has reached the level of voting, they may announce the suspension of discussion, put it to vote, and arrange an adequate voting time.

Article 11: A speech note must be filled out before attending a shareholder's speech, indicating the keynote of the speech, the shareholder's account number (or attendance card number), and account name, and the chairman shall determine the order of his speech.

They shall deem not to speak if the shareholders present only put forward a statement but did not speak. The content of the speech shall prevail if the content of the speech is inconsistent with the record of the speech note.

Without the consent of the chairman, each shareholder of the same proposal shall not speak more than twice, each time not more than five minutes. However, the chairman may stop him from speaking if a shareholder's speech violates the provisions or exceeds the scope of the topic.

When attending a shareholder's speech, other shareholders shall not interfere with their speech unless approved by the chairman and the speaking shareholder. The chairman shall stop it in case of violation.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one person may speak on the same motion.

the chairman may reply in person or designate relevant personnel after the shareholders' present speak.

Article 12: The voting at the shareholders' meeting shall calculate based on shares.

In the resolution of the shareholders' meeting, the number of shares of non-voting shareholders shall not include in the total number of released shares.

It shall not participate in the voting, and shall not exercise its voting rights on behalf of other shareholders when a shareholder has his interests in the matters of the meeting, which may be harmful to the interests of the company.

The number of shares that cannot exercise voting rights in the preceding paragraph shall not include in the voting rights of shareholders present.

The voting rights of his proxy shall not exceed 3% of the total voting rights of the issued shares, and the excess voting rights shall not count when one person is entrusted by two or more shareholders at the same time except for a trust enterprise or a stock affairs agency approved by the competent securities authority.

Article 13: Each shareholder has one voting right; However, this restriction shall not apply to those who are restricted or have no voting rights listed in paragraph II of Article CLXXIX of the company law.

When convening a shareholders' meeting, the company shall adopt electronic means and may exercise its voting rights in writing; When it exercises its voting rights in writing or electronically, the method of exercise shall specify in the notice of convening the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall deem to have attended the shareholders' meeting in person. However, as the interim motion and the amendment to the original motion of the shareholders' meeting shall deem as a waiver, the company should avoid proposing the interim motion and the amendment to the original motion.

The expression of intention shall be delivered to the company two days before the shareholders' meeting if the voting right is an exercise in writing or electronically in the preceding paragraph. The first one shall prevail if there is a repetition of the expression of intention. However, this restriction shall not apply to the expression of intention before the declaration is revoked.

If a shareholder wishes to attend the shareholders' meeting in person after exercising his voting rights in writing or electronically, It shall revoke the expression of intention to exercise his voting rights in the preceding paragraph in the same manner as exercising his voting rights two days before the shareholders' meeting; The voting rights exercised in writing or electronically shall prevail in case of overdue cancellation. The voting right entrusted to the proxy shall prevail if the voting right is exercised in writing or electronically and the proxy is entrusted to attend the shareholders' meeting by power of attorney.

The voting of a proposal shall approve by a majority of the voting rights of the shareholders present unless otherwise provided in the company law and the articles of association. The chairman or his designated person shall announce the total voting rights of shareholders present when voting, and the shareholders shall vote, and input the results of shareholders' consent, objection, and abstention into the public information observation station on the day after the shareholders' meeting.

The proposal shall deem to have passed if the chairman consults all shareholders present and there is no objection, and its effect shall be the same as that of voting.

A vote shall be taken under the provisions of the preceding paragraph if there is any objection.

When there is a revision or replacement to the same motion, the chairman shall determine the order of voting with the original motion. The other motions shall deem to have been rejected and there is no need to vote again if one of the motions has passed.

The supervisors and vote counters for the voting of proposals shall designate by the

chairman, but the supervisors shall be shareholders.

The vote counting operation of the voting or election proposal of the shareholders' meeting shall conduct in a public place at the shareholders' meeting place, and the voting results, including the statistical weight, shall announce on the spot after the vote-counting completes, and a record shall make.

Article 14: It shall conduct under the relevant election standards set by the company when the shareholders' meeting elects directors, and the election results shall announce on the spot, including the list of elected directors and their election rights.

The electoral votes for the election matters referred to in the preceding paragraph shall seal and sign by the scrutineer and kept properly for at least one year. However, if a shareholder brings an action under Article CLXXXIX of the company law, it shall keep until the end of the action.

Article 15: The resolutions of the shareholders' meeting shall record in the meeting minutes, which shall sign or seal by the chairman, and distributed to all shareholders within twenty days after the meeting. The company may distribute the meeting minutes referred to in the preceding paragraph through a public announcement at the public information observatory. The meeting minutes shall record under the year, month, day, place, name of the chairman, method of resolution, essentials of the proceedings, and voting results (including statistical weights). It shall disclose the voting rights of each candidate when electing directors. It shall keep permanently during the existence of the company.

Article 16: The number of shares requisitioned by the requisitioner and the number of shares represented by the entrusted agent shall be disclosed in the shareholders' meeting hall by a statistical table prepared in the prescribed format on the day of the shareholders' meeting. The company shall transmit the content to the public information observatory within the specified time if there is any material information on the matters decided by the shareholders' meeting that is required by regulations and required by the Taiwan Stock Exchange Corporation (the over the counter securities exchange of the ROC).

Article 17: The business personnel handling the shareholders' meeting shall wear identification cards or armbands.

The chairman may direct pickets or security personnel to assist in maintaining order at the venue. The picket or security personnel shall wear the armband or identification card with the word "picket" when they are present to help maintain order.

The chairman may stop the shareholders from speaking with equipment not provided by the company if the venue is equipped with public address equipment.

The chairman may command the picket or security personnel to ask him to leave the meeting place if a shareholder violates the rules of procedure, disobeys the chairman's correction, and hinders the progress of the meeting.

Article 18: The chairman may announce a break at his discretion when the meeting is in progress. The chairman may rule to suspend the meeting and announce the time of resumption as appropriate in case of force majeure.

Before the conclusion of the proceedings (including provisional motions) of the agenda set by the shareholders' meeting, the shareholders' meeting may decide to find another venue to continue the meeting if the venue of the meeting cannot be used at that time.

The shareholders' meeting may decide to postpone or renew the meeting within five days

under Article CLXXXII of the company law.

Article 19: These Rules shall come into force after being approved by the shareholders' meeting, and the same shall apply to amendments.

Article 20: These rules formulate on April 28, 1998.

Revision I was made on June 19, 2014.

Revision II was made on June 9, 2015.

Revision III was made on June 18, 2020.

## Appendix III

# Articles of Incorporation of Mildef Crete Inc.

## Chapter I General Provisions

- Article I: The company is organized under the company law and is named 茂訊電腦股份有限公司. The English name is Mildef Crete Inc.
- Article II: The operation of the company is as follows:
1. CC01110 computer and its peripheral equipment manufacturing.
  2. CC01120 data storage media manufacturing and reproduction.
  3. CC01080 electronic component manufacturing.
  4. F113050 computer and transactional machinery and equipment wholesale.
  5. F213030 retail of computers and transactional machinery and equipment.
  6. E605010 computer equipment installation.
  7. F118010 information software wholesale.
  8. F218010 information software retail.
  9. I301010 information software service.
  10. J399010 software publishing.
  11. F119010 electronic material wholesale.
  12. F219010 electronic material retail.
  13. E701010 communication engineering.
  14. I501010 product design.
  15. F401010 international trade.
- It may operate businesses not prohibited or restricted by regulations in addition to the licensed business for the ZZ99999.
- Article 2-1: Investment in other related enterprises is not subject to the restriction of Article XIII of the company law that it shall not exceed 40% of the paid-in share capital of the company.
- Article 2-2: The company may provide external guarantees for operation.
- Article 3: The company has a head office in New Taipei City, and may set up branches at home and abroad by resolution of the board of directors when necessary.
- Article 4: The announcement method of the company shall handle under Article XXVIII of the company law.

## Chapter II. Shares

- Article 5: The total capital rating of the company is NT \$700 million, which is divided into 70 million shares with an amount of NT \$10 per share. The board of directors is authorized to release the unissued shares in installments under the operation of the company.

The NT \$48 million shall reserve within the capital amount referred to in paragraph I for the release of employee stock option certificates, corporate bonds with stock options, and special shares with stock options. A total of 4.8 million shares of NT \$10 per share may

release in installments under the meeting of directors.

Article 6: Delete.

Article 7: The shares of this company are registered, signed, or sealed by the directors representing the company, and issued after being certified under the law.

Article 7-1: The shares issued by the company may be exempt from printing, but shall be registered with the centralized securities depository enterprise.

Article 7-2: When the shareholders of this company handle stock affairs such as stock transfer, pledge of rights, loss reporting, inheritance, gift, change of seal or address, and exercise all rights unless otherwise provided by laws and regulations and securities rules, they shall handle under the standards for the handling of stock affairs of public companies.

Article 8: The registration of stock transfer shall suspend within sixty days before the ordinary meeting of shareholders, thirty days before the extraordinary meeting of shareholders, or five days before the benchmark date on which the company decides to distribute dividends and other benefits.

### Chapter III. shareholders' meeting

Article 9: The shareholders' meeting can divide into the regular meeting and interim meeting. The regular meeting shall hold once a year, which shall hold by law within six months after the end of each fiscal year, and the interim meeting shall be convened by law when necessary.

Article 9-1: The shareholders' meeting shall convene by the board of directors, and the chairman shall be the chairman. The chairman shall appoint a director to act as the proxy in the absence of the chairman. If not, the director shall elect a person to act as the proxy; It shall convene by a convener other than the board of directors, and the chairman shall be the convener. One of them shall be elected from each other if there are more than two conveners.

Article 10: It shall release power of attorney issued by the company if a shareholder is unable to attend the shareholders' meeting for any reason, specify the scope of authorization, sign, and seal, and entrust a proxy to attend the meeting. It shall handle under the provisions of the "rules on the use of power of attorney by public companies to attend shareholders' meetings" in addition to the provisions of article CLXXVII of the company law.

Article 11: The shareholders of the company have one voting right per share unless restricted or listed in Item II of Article CLXXIX of the company law.

Article 12: The resolutions of the shareholders' meeting shall be attended by the shareholders representing more than half of the total issued shares in person or by proxy with the consent of more than half of the voting rights of the shareholders present unless otherwise provided by relevant laws and regulations. However, the voting rights shall be attended by two-thirds of the total number of issued shares in person or by proxy in any of the following circumstances, with the consent of more than half of the voting rights of the shareholders present.

1. Purchase or merge other home and abroad enterprises.
2. Dissolution or liquidation, division.

Article 12-1: The resolutions of the shareholders' meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairman, and distributed to all shareholders within

twenty days after the meeting.

The meeting minutes referred to in the preceding paragraph may be prepared and distributed electronically.

The meeting minutes refers to in paragraph I may be distributed by public announcement.

## Chapter IV. Directors and supervisors

Article 13: The company has seven to nine directors with a term of office of three years. The system of candidate nomination is adopted. The shareholders' meeting shall elect them from the list of candidates, and they can be re-elected. Among the directors of the company, there shall be no less than three independent directors and no less than one-fifth of the seats of directors. The company has established an audit committee composed of all independent directors under Article XIV-IV of the securities and Exchange Act. They are responsible for the implementation of the functions and powers of supervisors prescribed by the company act, the Securities and Exchange Act, and other regulations.

Article 13-1: When the term of office of a director expires and there is no time for re-election, his executive duties shall be extended until the re-election of a director takes office.

Article 13-2: A director may be dismissed at any time by the shareholders' meeting under the resolution of article CXCIX of the company law.

Article 13-3: When the vacancy of directors reaches one-third, the board of directors shall convene an interim shareholders' meeting within sixty days of the by-election, and its term of office shall be limited to the period of making up the original term.

Article 13-4: The company may purchase liability insurance for all directors to reduce the risk of directors being sued by shareholders or other related parties due to the performance of their duties by law.

Article 14: It shall organize the board of directors by the directors, and it shall elect one chairman by the presence of more than two-thirds of the directors and the consent of more than half of the directors present. The chairman shall represent the company and preside over the overall business.

The chairman of the board of directors may, unless otherwise provided by laws and regulations, increase or decrease the necessary institutions and organizations of the company to prevent the company from encountering emergency adverse events or dealing with major accidents, or meeting the needs of the company's operation, and decide on relevant business policies and deal with current business.

The chairman of the board of directors shall convene and serve as the chairman of the board of directors under Article CCIV of the company law in addition to the convening of the first meeting of the board of directors under Article CCIII of the company law. However, it may call at any time in case of an emergency.

The convener referred to in the preceding paragraph may be notified in writing, by e-mail, or by fax.

It may entrust other directors as his agent if a director is unable to attend the board of directors for some reason, but each person shall be limited to one representative.

However, independent directors shall attend in person on matters that should be attended to in person under the regulations, and shall not appoint non-independent directors to act as



agents. It shall record in the meeting minutes of the board of independent directors who have objections or reservations. If independent directors cannot attend in person for some reason, if they have objections or reservations about the proposal, they shall issue written opinions in advance and record them in the meeting minutes of the board, except for justified reasons.

Article 15. The agency shall handle under Article CCVIII of the company law if the chairman asks for leave or is unable to exercise his functions and powers for some reason.

Article 16: Delete.

## Chapter V: Managers

Article 17: The company may have a general manager, whose appointment, dismissal, and remuneration shall be handled under Article XXIX of the company law.

## Chapter VI. Accounting

Article 18: The company's fiscal year is from January 1 to December 31. The board of directors shall prepare the following statements and books and submit them to the regular meeting of shareholders for a list at the end of each fiscal year.

(I) Business report.

(II) Financial statements.

(III) Proposal for earnings distribution or loss compensation.

After the statements and books referred to in paragraph 1 are listed by the shareholders' ordinary meeting, the board of directors shall distribute the financial statements and the resolution on the earnings distribution or loss compensation to all shareholders.

The financial statements referred to in the preceding paragraph and the distribution of earnings distribution or loss-making up resolutions may be made by public announcement.

Article 19: Delete.

Article 20: It shall allocate 5% to 10% for the remuneration of employees and no more than 3% for the remuneration of directors if the company makes profits in the year.

However, it shall reserve the amount to be made up in advance if the company has accumulated losses in previous years, and the rest shall be appropriated under the proportion in the preceding paragraph.

The objects of employee remuneration in the first paragraph to be distributed to stocks or cash include employees of subordinate companies who meet certain conditions.

Article 20-1: It shall pay the tax first to make up for the previous losses if there is any earnings in the company's annual general final accounts, and it shall withdraw 10% of the statutory earnings reserve next time. However, it may not withdraw when the statutory earnings reserve has reached the paid-in capital of the company. Furthermore, the board of directors shall formulate a earnings distribution proposal and submit it to the shareholders' meeting for distribution after the special earnings reserve is withdrawn or converted under the needs and laws and regulations, and the undistributed earnings accumulates together.

Article 20-2: The dividend distribution policy of the company is based on the company's capital budget, medium and long-term operation plan, and financial situation, and is distributed after the

resolution of the shareholders' meeting under the following principles:

- I. Except under the provisions of paragraphs II below, the company shall not distribute dividends when there is no earnings. However, the excess part may be distributed as a bonus when the statutory earnings reserve has exceeded 50% of the total capital. One earnings:
  1. To meet the needs of the company to expand its operation scale in the future
  2. Maintain the balance of earnings per share and profit level of the company
  3. Consider the company's cash flow and operating earningsCash Dividends account for 20% ~ 100% of the total dividends, and Stock Dividends account for 0% ~ 80% of the total dividends.

The distribution of earnings referred to in the preceding paragraph shall be decided by the board of directors and distributed by resolution of the shareholders' meeting.
- II. The company has no earnings to distribute in the current year, or although there is a earnings, the earnings is much lower than the earnings distributed by the company in the previous year, or the company may distribute all or part of the earnings under the law or the regulations of the competent authority under the consideration of the company's finance, business, and operation.

## Chapter VII. Supplementary Provisions

Article 21: All matters not stipulated in these articles of association shall handle under the provisions of the company law. The relevant organizational procedures and other detailed rules of the company shall formulate by the board of directors.

Article 22: The articles of association conclude on March 8, 1990.

1st amendment was made on May 5, 1990.

2nd amendment was made on October 1, 1990.

3rd amendment was made on March 15, 1991.

4th amendment was made on December 5, 1991.

5th amendment was made on November 1, 1993.

6th amendment was made on January 23, 1997.

7th amendment was made on June 26, 1997.

8th amendment was made on April 28, 1998.

9th amendment was made on April 28, 1998.

10th amendment was made on July 14, 2000.

11th amendment was made on June 21, 2002.

12th amendment was made on June 26, 2003.

13th amendment was made on June 28, 2004.

14th amendment was made on June 28, 2004.

15th amendment was made on June 22, 2006.

16th amendment was made on June 21, 2007.

17th amendment was made on June 19, 2008.

18th amendment was made on June 16, 2009.

19th amendment was made on June 23, 2010.

20th amendment was made on June 22, 2011.

21st amendment was made on June 6, 2012.  
22nd amendment was made on June 8, 2016.  
23rd amendment was made on June 18, 2020.  
24th amendment was made on July 15, 2021.

Mildef Crete Inc.

Chairman: Yi-Tung, Shen

## Appendix IV

### **Mildef Crete Inc. Shareholding of Directors**

- I. As of April 16, 2023, the minimum number of shares to be held by all directors and the number of shares recorded in the shareholder register

Title	Number of shares to be held	Number of shares registered in the register of shareholders
Director	4,694,843 shares	6,237,775 shares

#### II. List of Shares Held by Directors

Title	Name	Number of Shares Registered in the Register of Shareholders
Chairman	Yi-Tung, Shen	3,126,244 shares
Director	Nankang Rubber Tire Representative: Chun-Ying Lin	2,150,829 shares
Director	Ming-Hsiao, Lu	945,563 shares
Director	Wen-Chun, Tsai	15,139 shares
Independent director	Chun-Ming, Wang	
Independent director	Hsiao- Lung, Feng	65,132 shares
Independent director	Yung-Cheng, Chen	

Note 1: Date of suspension of transfer: April 16 to June 14, 2023.

Note 2: The shareholding of independent directors elected by a public company doesn't include in the total number of legal shares.