

(English Translation)

**Nuvoton Technology Corporation**

**Minutes of 2024 Annual General Meeting of Shareholders<sup>1</sup>**

Time and Date: 9 A.M., May 28, 2024(Tuesday)

Place: 1F., No. 539, Sec. 2, Wenxing Rd., Jhubei City, Hsinchu County, Taiwan, R.O.C. (Auditorium Hall)

Shares present at the meeting: Shareholders who were present in person or by proxy together held 308,460,806 shares (including 88,048,227 shares present by electronic means), representing 73.48 % of the total number of issued shares of the Company, which is 419,765,268 shares.

Chairman: Yuan-Mou Su, the Chairman of the Board of Directors

Recorder: Hsiu-Fen Lai

Director Present : Mr. Arthur Yu-Cheng Chiao (Director), Mr. Jen-Lieh Lin (Director Representative of Chin Xin Investment Co., Ltd.), Mr. Mark Wei (Chairman of the Audit Committee), Mr. Allen Hsu (Independent Director), Mr. Kuang-Chung Chen (Independent Director).

Others Present : Mr. Kenny Hong and Mr. Shu-Lin Liu, CPA at Deloitte  
Ms. Hsin-Lan Hsu, lawyer at Lee and Li Attorneys-at-Law

Meeting called:

The total number of issued shares of the Company is 419,765,268 shares. As of 9 A.M., the number of shares present was 308,460,806 (including 220,412,579 shares in person, 0 share by proxy, and 88,048,227 shares by electronic means), which constituted the quorum of shareholders representing at least two-thirds of issued shares of the Company, and therefore the Chairman announced the commencement of the meeting.

Opening Speech of the Chairman: (omitted)

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<sup>1</sup> This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

## **Matters to Be Reported:**

### **I. 2023 business report:**

Please review and approve the Company's 2023 business report and financial report (please refer to Attachment 1).

**Shareholder Account Number: 45588**

#### **Question:**

Nuvoton has made remarkable achievements in promoting ESG. How does the company's resource conservation reflect in the improvement of our entire company's product gross profit? Will the increased profit in this area be reflected in future dividend policies?

#### **Chairman's Response:**

Nuvoton primarily engages in Fabless research and marketing operations. As the proportion of manufacturing costs, particularly electricity, in total costs is relatively low, the direct impact of these efforts on gross profit is limited. However, we have achieved significant results in energy conservation and carbon reduction efforts and have set short-term, medium-term, and long-term goals. Last year's achievements include:

- Scope 1 : Factories implemented greenhouse gas emission reduction equipment installations, resulting in a 46% reduction in annual carbon emissions.
- Scope 2: We introduced solar power generation systems, contributing nearly 1 million kilowatt-hours of electricity to the company annually. Additionally, equipment updates such as motor replacements and air conditioning system upgrades saved nearly 200,000 kilowatt-hours of electricity consumption.
- Scope 3: We plan to collaborate with upstream and downstream partners to design products that not only have energy-saving features but also integrate into the electric vehicle industry supply chain, thereby directly and indirectly achieving energy conservation and carbon reduction goals.

Given the continuous rise in carbon fees and the difficulty in predicting them, although these energy-saving and carbon reduction achievements may not be directly reflected in short-term

operations, we firmly believe that these efforts will contribute not only to Nuvoton's fulfillment of its global citizenship responsibilities but also to a positive impact on future performance and dividend policies. Furthermore, due to Nuvoton's outstanding performance in ESG, it has become a sustainable enterprise.

## **II. Audit Committee's review report of 2023 final accounts:**

Please review and approve the Audit Committee's review report of 2023 final accounts (please refer to Attachment 3).

## **III. 2023 distribution of employee and director compensations:**

According to the Company's 2023 earnings audited by the certified public accountants, the Company has no accumulated losses to be offset against earnings. It is proposed to, in accordance with Article 25 of the Company's Articles of Incorporation, allot 1% of the earnings to be the compensation of directors, which is NT\$27,909,808 in total, and allot 6% of the earnings to be the compensation of employees, which is NT\$167,458,853 in total; in each case, all compensations will be paid in cash. The aforesaid ratios and amounts for allocation have been approved by the Compensation Committee and the Board of Directors of the Company.

## **IV. 2023 cash dividend distribution report:**

- (I) In accordance with Article 240 of the Company Act and as authorized by Article 26 of the Company's Articles of Incorporation, the Board of Directors of the Company resolved on March 5, 2024 to pay out cash dividends of NT\$1,259,295,804, with NT\$3 per common share, for the year of 2023. Such cash dividends will be paid by rounding down to the nearest New Taiwan Dollar, and the remaining fractional cash dividend less than NT\$1 will be credited as other income of the Company.
- (II) After the resolution of the Board of Directors of the Company was passed on March 5, 2024, the Chairman of the Board of Directors is authorized to set an ex-dividend record date and an

ex-dividend date; in the event of any subsequent change in the amount of dividend payout per share due to changes in the number of shares outstanding, for example, as a result of the repurpose of shares by the Company, the Chairman is also authorized to adjust the dividend amount based on the actual number of shares outstanding on the ex-dividend record date.

## **V. Other Matters to Be Reported:**

(I) Report on shareholdings of all directors:

1. According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Share Ownership Ratios of Directors and Supervisors of Public Companies, the minimum combined shareholding of all directors required should be 16,000,000 shares. The Company has set up an Audit Committee and thus the requirement on the minimum shareholdings of all supervisors is not applicable.
2. Please refer to Attachment 4 for the shareholding of each director and the shareholdings of all directors as of the record date for determining the shareholders eligible to attend this 2024 annual general shareholders meeting.
3. The aggregate shareholdings of all directors meet the minimum shareholding required by laws and regulations.

(II) During the period for accepting shareholders' proposals (from March 15, 2024 to March 25, 2024), no shareholders submitted any written proposal to the Company for the 2024 annual general shareholders meeting in accordance with Article 172-1 of the Company Act.

## **Matters to Be Recognized and Discussed:**

### **Motion I**

Proposed by the Board of Directors

Proposal: The Company's 2023 business report and financial report have been prepared. Please acknowledge and recognize the same.

Explanations:

1. For the Company's 2023 business report and financial report, please refer to Attachment 1.
2. The aforementioned financial report had been resolved by the Board of Directors and after audited by the certified public accountants, together with the business report, have been submitted to and reviewed by the Audit Committee.

Resolution: Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 298,644,271 (including voting via electronic transmission); Disapproval Vote: 87,023 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 9,729,512 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 96.81% of the voting shares present.

**Motion II**

Proposed by the Board of Directors

Proposal: The Company's 2023 profit distribution proposal is presented. Please acknowledge and recognize the same.

Explanations:

1. The Company has a net profit after tax of NT\$2,420,434,433 for the year of 2023. The proposed statement of profit distribution is as follows.
2. The proposal to distribute the cash dividends on the common stock has been approved by the Meeting of the Board of Directors on March 5, 2024.

Nuvoton Technology Corporation  
Statement of Profit Distribution  
For the year ended December 31, 2023

(Unit: NT\$)

Items	Total
<b>Undistributed Surplus Earnings of Previous Fiscal Years</b>	<b>\$ 2,110,783,851</b>
Plus: Re-measurements of defined benefit plans recognized in retained earnings	39,065,976
Plus: Net income of 2023	2,420,434,433
Minus: 10% legal reserve appropriated	(245,950,041)
Minus: Setting aside a special reserve (Note 1)	(479,840,167)
<b>Retained Earnings Available for Distribution as of December 31, 2023</b>	<b>3,844,494,052</b>
Distributable items:	
Cash Dividends to Common Shares (NT\$3 per share) (Note 2)	(1,259,295,804)
<b>Unappropriated Earnings, End of Year</b>	<b>\$ 2,585,198,248</b>

Note 1: As required by the order issued by the Financial Supervisory Commission on March 31, 2021 (Ref. No.: Jin-Guan-Zheng-Fa-Zi-1090150022), the Company shall, in accordance with Article 41 of the Securities and Exchange Act, set aside a special reserve in the same amount as the net decrease in the reported other equities for the current year from the net income for the current year plus the amount of the items other than the net income for the current year included in the undistributed earnings for the current year. If the amount required to be set aside as the special reserve is still insufficient, such shortage shall be set aside from the undistributed earnings for the previous year.

Note 2: Cash dividends will be calculated and distributed in whole New Taiwan Dollar. Any fractional amount less than one New Taiwan Dollar will be accounted in the Company's other income.)

Chairman: Yuan-Mou Su

Manager: Hsin-Lung Yang

Accounting Officer: Show-Fen Lai

Resolution: Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 298,735,645 (including voting via electronic transmission); Disapproval Vote: 113,062 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 9,612,099 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 96.84% of the voting shares present.

### **Motion III**

Proposed by the Board of Directors

Proposal : It is proposed to release the director from the non-competition restrictions. Please review and approve the same.

Explanations:

1. It is conducted in accordance with Paragraph 1 of Article 209 of the Company Act.
2. Please refer to Attachment 5 to this Handbook for the description of competitive conduct of the Directors of the Company who concurrently act as a director or a managerial officer in other companies engaging in the same business as the Company.
3. It is proposed to release the Directors stated above from the non-competition restrictions on engaging in any conduct that is within the scope of business of the Company, and to waive the Company's right to request disgorgement of profits against such Directors from the day when they entered office as the directors of such peer company.
4. This motion has been passed by the resolution of the Board of Directors.

Resolution: Motion 3-1 : Release the Director, Winbond Electronics Corporation, from Non-Competition Restrictions. Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 280,302,387 (including voting via electronic transmission); Disapproval Vote: 4,001,123 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 24,157,296 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 90.87% of the voting shares present.

Motion 3-2 : Release the Director, Chin Xin Investment Co., Ltd., from Non-Competition Restrictions. Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 280,302,401 (including voting via electronic transmission); Disapproval Vote: 3,997,509 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 24,160,896 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 90.87% of the voting shares present.

Motion 3-3 : Release the Director, Mr. Jen-Lieh Lin, from Non-Competition Restrictions. Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 284,099,718 (including voting via electronic transmission); Disapproval Vote: 204,081 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 24,157,007 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 92.10% of the voting shares present.

Motion 3-4 : Release the Director, Mr. Chi-Lin Wea, from Non-Competition Restrictions. Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 284,100,242 (including voting via electronic transmission); Disapproval Vote: 202,830 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 24,157,734 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 92.10% of the voting shares present.

Motion 3-5 : Release the Director, Mr. Royce Yu-Chun Hong, from Non-Competition Restrictions. Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 284,096,420 (including voting via electronic transmission); Disapproval Vote: 202,302 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 24,162,084 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 92.10% of the voting shares present.



Motion 3-6 : Release the Director, Mr. Liang-Gee Chen, from Non-Competition Restrictions. Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 284,093,142 (including voting via electronic transmission); Disapproval Vote: 204,002 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 24,163,662 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 92.10% of the voting shares present.

Motion 3-7 : Release the Director, Mr. Pao-Sheng Wei, from Non-Competition Restrictions. Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 284,093,580 (including voting via electronic transmission); Disapproval Vote: 205,542 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 24,161,684 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 92.10% of the voting shares present.

Motion 3-8 : Release the Director, Mr. David Shu-Chyuan Tu, from Non-Competition Restrictions. Total number of voting rights present at the time of voting: 308,460,806. Approval Vote: 284,099,788 (including voting via electronic transmission); Disapproval Vote: 199,284 (including voting via electronic transmission); Invalid votes: 0; Abstain from Voting and None Voting: 24,161,734 (including voting via electronic transmission). Resolved that the above proposal be and is hereby approved as proposed, with affirmative vote of 92.10% of the voting shares present.

**Other Extemporary Matters and Motions: None.**

**No question was raised by Shareholder.**

**Meeting Adjourned. (09:47 A.M.).**

(The video recording of this shareholder's annual general meeting concerning detailed contents, procedures, and shareholder statements will prevail in the event of any discrepancy.)

# **Attachments**

Nuvoton Technology Corporation  
2023 Business Report

In 2023, we encountered challenges stemming from global inflation, rising interest rates, geopolitical tensions, and other macroeconomic uncertainties. These factors impacted end-user demand and led to inventory adjustments across the industry chain. Despite these challenges, Nuvoton demonstrated operational resilience by continuing to offer smarter and more diverse green semiconductor solutions in our target markets. Our solid partnerships with clients have enabled Nuvoton to maintain robust business development in a rapidly changing market.

**Financial Performance**

In terms of its overall financial performance in 2023, Nuvoton's total consolidated revenue was about NT\$35.348 billion; its net income after tax was about NT\$2.42 billion; its earnings per share after tax was NT\$5.77.

**Products, Markets and Technological Developments**

Looking back at 2023, Nuvoton's products achieved excellent performance in four major areas: automotive and industrial control, communications, consumer electronics, and computers, with notable achievements summarized as follows:

In automotive products, we launched the fourth-generation battery monitoring chip, which offers higher precision in measuring cell voltage, temperature, and battery pack current. Our existing products, including the Human-Machine Interface (HMI) solution for in-vehicle head-up displays and the 3D TOF sensor for monitoring driver fatigue, were successfully introduced to new clients. In the industrial control sector, we introduced the high-performance, real-time control, and highly secure multicore heterogeneous microprocessor NuMicro® MA35D1 series for industrial IoT edge computing needs. We also launched 32-bit microcontrollers based on Arm Cortex M4 and M7 cores, enhancing energy efficiency and widely applied in various high-efficiency motors and power control scenarios. In the communications sector, our CSP MOSFETs for lithium battery protection is not only continuously being adopted in new models of smartphones, but also being adopted in new applications such as hearing aids and AR glasses. For consumer products, we unveiled the new MUG51 low-power 8-bit microcontroller, suitable for various battery-less devices. In computer-related applications, we introduced the eBMC chip designed for edge computing platforms, enhancing security and management efficiency in edge computing environments and adopted by major industrial computer manufacturers. Additionally, our USB4 re-timer chip for high-speed signal transmission was successfully introduced to laptop clients in Taiwan, adding momentum to the Company's future performance.

### **Honors and Awards**

In 2023, Nuvoton received numerous accolades for product innovation and corporate management. For product innovation, we successfully developed a node management controller with safety control and IoT capabilities, which passed the Industrial Development Bureau's review for highly innovative projects. The NuMicro® M467 series microcontroller was awarded the 2023 EE Awards Asia. Additionally, Nuvoton became the first supplier of Embedded Controllers (EC) and Super I/O Chips (SIO) to pass the U.S. Federal Information Processing Standard (FIPS) 140-3 certification and also achieved the ISO/SAE 21434 certification for cybersecurity management systems in road vehicles. To adopt our green semiconductor philosophy, Nuvoton continued to be committed to sustainable development; therefore, Nuvoton won the SGS ESG Awards "Sustainability Report Award" and the TCSA (Taiwan Corporate Sustainability Awards) "Silver Award for Electronic Information Manufacturing Industry," and was listed among the "Top 100 Carbon Competitive Companies of 2023" by Business Weekly. These awards and achievements highlight our technological R&D outcomes and our efforts in promoting sustainability.

### **Corporate Operation and Outlook**

Looking ahead, Nuvoton will adhere to our consistent but diversified corporate strategy and continue expanding our target markets and product applications to enhance our flexibility in facing market and environmental fluctuations. Meanwhile, we are committed to green innovation and sustainable development, promoting digital transformation to improve operational efficiency, and deepening collaboration with the global semiconductor supply chain and clients across various products. This approach will enable Nuvoton to continue creating new value in an ever-changing market.

Chairman: Yuan-Mou Su

President: Hsin-Lung Yang

CAO: Show-Fen Lai

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 6,325,394	20	\$ 10,398,185	28
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	22,422	-	2,894	-
Accounts receivable, net (Notes 4 and 8)	4,092,482	13	3,610,131	10
Accounts receivable from related parties, net (Notes 4, 8 and 32)	29,523	-	768,711	2
Finance lease receivables - current (Notes 4, 9 and 32)	92,088	-	96,731	-
Other receivables (Notes 10 and 32)	412,575	1	327,265	1
Inventories (Notes 4 and 11)	7,756,366	24	8,458,827	23
Other current assets	<u>468,615</u>	<u>2</u>	<u>452,383</u>	<u>1</u>
Total current assets	<u>19,199,465</u>	<u>60</u>	<u>24,115,127</u>	<u>65</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	76,763	-	121,775	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 12)	1,348,557	4	1,234,748	3
Investments accounted for using equity method (Notes 4 and 13)	1,824,673	6	1,710,869	5
Property, plant and equipment (Notes 4, 14, 32 and 33)	5,785,697	18	5,764,085	16
Right-of-use assets (Notes 4, 15 and 32)	520,912	2	623,867	2
Investment properties (Notes 4, 16 and 33)	1,549,000	5	1,798,160	5
Intangible assets (Notes 4 and 17)	550,894	2	722,757	2
Deferred tax assets (Notes 4 and 25)	226,001	1	198,727	1
Refundable deposits (Notes 6, 32 and 33)	275,294	1	337,862	1
Finance lease receivables - non-current (Notes 4, 9 and 32)	23,289	-	123,451	-
Other non-current assets	<u>359,649</u>	<u>1</u>	<u>100,312</u>	<u>-</u>
Total non-current assets	<u>12,540,729</u>	<u>40</u>	<u>12,736,613</u>	<u>35</u>
TOTAL	<u>\$ 31,740,194</u>	<u>100</u>	<u>\$ 36,851,740</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18, 32 and 33)	\$ 1,064,280	3	\$ 1,069,040	3
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	786	-	7,412	-
Accounts payable	1,304,407	4	2,401,020	7
Accounts payable to related parties (Note 32)	778,160	3	747,717	2
Other payables (Notes 19 and 32)	3,969,136	13	4,464,260	12
Current tax liabilities (Notes 4 and 25)	305,031	1	712,005	2
Provisions - current (Note 20)	-	-	132,473	-
Lease liabilities - current (Notes 4, 15 and 32)	156,298	1	169,896	1
Long-term borrowings - current (Notes 18, 32 and 33)	142,857	-	71,429	-
Other current liabilities	<u>459,853</u>	<u>1</u>	<u>1,192,434</u>	<u>3</u>
Total current liabilities	<u>8,180,808</u>	<u>26</u>	<u>10,967,686</u>	<u>30</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18, 32 and 33)	857,143	3	1,428,571	4
Provisions - non-current (Note 20)	2,235,033	7	2,491,287	7
Deferred tax liabilities (Notes 4 and 25)	77,953	-	13,209	-
Lease liabilities - non-current (Notes 4, 15 and 32)	384,600	1	491,363	1
Net defined benefit liabilities - non-current (Notes 4 and 21)	1,370,333	4	1,492,573	4
Guarantee deposits (Notes 4, 22 and 32)	1,845,998	6	2,351,028	6
Other non-current liabilities	<u>57,282</u>	<u>-</u>	<u>50,085</u>	<u>-</u>
Total non-current liabilities	<u>6,828,342</u>	<u>21</u>	<u>8,318,116</u>	<u>22</u>
Total liabilities	<u>15,009,150</u>	<u>47</u>	<u>19,285,802</u>	<u>52</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital (Note 23)	4,197,653	14	4,197,653	11
Capital surplus (Note 23)	6,995,630	22	6,871,827	19
Retained earnings (Note 23)				
Legal reserve	1,447,316	5	958,560	3
Special reserve	710,979	2	-	-
Unappropriated earnings	4,570,285	14	6,248,877	17
Exchange differences on translation of financial statements of foreign operations (Notes 4 and 23)	(1,556,260)	(5)	(1,005,611)	(3)
Unrealized gains on financial assets at fair value through other comprehensive income (Notes 4 and 23)	<u>365,441</u>	<u>1</u>	<u>294,632</u>	<u>1</u>
Total equity	<u>16,731,044</u>	<u>53</u>	<u>17,565,938</u>	<u>48</u>
TOTAL	<u>\$ 31,740,194</u>	<u>100</u>	<u>\$ 36,851,740</u>	<u>100</u>

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

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 32)	\$ 35,348,149	100	\$ 41,872,426	100
OPERATING COST (Notes 11, 26 and 32)	<u>21,005,496</u>	<u>59</u>	<u>24,378,097</u>	<u>58</u>
GROSS PROFIT	<u>14,342,653</u>	<u>41</u>	<u>17,494,329</u>	<u>42</u>
OPERATING EXPENSES (Notes 26 and 32)				
Selling expenses	972,814	3	1,162,124	3
General and administrative expenses	2,545,425	7	2,749,443	6
Research and development expenses	9,124,732	26	9,104,501	22
Expected credit loss (gain)	<u>9,499</u>	<u>-</u>	<u>352</u>	<u>-</u>
Total operating expenses	<u>12,652,470</u>	<u>36</u>	<u>13,016,420</u>	<u>31</u>
PROFIT FROM OPERATIONS	<u>1,690,183</u>	<u>5</u>	<u>4,477,909</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 32)				
Finance costs	(45,759)	-	(35,230)	-
Share of profit (loss) of associates	162,270	-	126,861	-
Interest income	190,134	1	89,583	-
Dividend income	71,728	-	80,422	-
Other gains and losses	40,651	-	50,404	-
Gains (losses) on disposal of property, plant and equipment	646,211	2	304,132	1
Foreign exchange gains (losses)	77,808	-	143,614	-
Gains (losses) on financial assets at fair value through profit or loss	<u>(106,622)</u>	<u>-</u>	<u>(130,675)</u>	<u>-</u>
Total non-operating income and expenses	<u>1,036,421</u>	<u>3</u>	<u>629,111</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,726,604	8	5,107,020	12
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(306,170)</u>	<u>(1)</u>	<u>(886,247)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>2,420,434</u>	<u>7</u>	<u>4,220,773</u>	<u>10</u>

(Continued)

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Note 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 21)	\$ 41,748	-	\$ 109,511	-
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	70,809	-	(253,744)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(2,682)	-	(5,812)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(550,649)</u>	<u>(1)</u>	<u>39,330</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(440,774)</u>	<u>(1)</u>	<u>(110,715)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,979,660</u>	<u>6</u>	<u>\$ 4,110,058</u>	<u>10</u>
EARNINGS PER SHARE (Notes 4 and 27)				
From continuing operations				
Basic	<u>\$ 5.77</u>		<u>\$ 10.06</u>	
Diluted	<u>\$ 5.75</u>		<u>\$ 9.99</u>	

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

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity		Total Equity
	Ordinary Share	Certificates of Bond-to-stock Conversion	Capital Surplus	Retained Earnings			Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
				Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2022	\$ 4,172,101	\$ 25,552	\$ 6,871,811	\$ 655,515	\$ -	\$ 3,763,192	\$ (1,044,941)	\$ 1,111,460	\$ 15,554,690
Appropriation of 2021 earnings (Note 23)									
Legal reserve	-	-	-	303,045	-	(303,045)	-	-	-
Cash dividends	-	-	-	-	-	(2,098,826)	-	-	(2,098,826)
Total appropriation earnings	-	-	-	303,045	-	(2,401,871)	-	-	(2,098,826)
Net profit for the year ended December 31, 2022	-	-	-	-	-	4,220,773	-	-	4,220,773
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	103,699	39,330	(253,744)	(110,715)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	4,324,472	39,330	(253,744)	4,110,058
Convertible bonds converted to ordinary shares (Note 23)	25,552	(25,552)	-	-	-	-	-	-	-
Unclaimed dividends from claims extinguished by prescriptions	-	-	16	-	-	-	-	-	16
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 12 and 23)	-	-	-	-	-	563,084	-	(563,084)	-
BALANCE AT DECEMBER 31, 2022	4,197,653	-	6,871,827	958,560	-	6,248,877	(1,005,611)	294,632	17,565,938
Appropriation of 2022 earnings (Note 23)									
Legal reserve	-	-	-	488,756	-	(488,756)	-	-	-
Special reserve	-	-	-	-	710,979	(710,979)	-	-	-
Cash dividends	-	-	-	-	-	(2,938,357)	-	-	(2,938,357)
Total appropriation earnings	-	-	-	488,756	710,979	(4,138,092)	-	-	(2,938,357)
Net profit for the year ended December 31, 2023	-	-	-	-	-	2,420,434	-	-	2,420,434
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	39,066	(550,649)	70,809	(440,774)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	2,459,500	(550,649)	70,809	1,979,660
Unclaimed dividends from claims extinguished by prescriptions	-	-	22	-	-	-	-	-	22
Share-based payment transaction (Note 28)	-	-	3,380	-	-	-	-	-	3,380
Disposal of subsidiaries (Note 29)	-	-	120,401	-	-	-	-	-	120,401
BALANCE AT DECEMBER 31, 2023	\$ 4,197,653	\$ -	\$ 6,995,630	\$ 1,447,316	\$ 710,979	\$ 4,570,285	\$ (1,556,260)	\$ 365,441	\$ 16,731,044

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



# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 2,726,604	\$ 5,107,020
Adjustments for:		
Depreciation expense	1,152,906	1,039,876
Amortization expense	341,176	291,785
Expected credit loss recognized on accounts receivable	9,499	352
Finance costs	45,759	35,230
Interest income	(190,134)	(89,583)
Dividend income	(71,728)	(80,422)
Compensation costs of share-based payment transaction	3,380	-
Share of (profit) loss of associates	(162,270)	(126,861)
Gains on disposal of property, plant and equipment	(646,211)	(304,132)
Gain on lease modification	(25,693)	(110,866)
Other adjustment to reconcile losses (profit)	591	(90)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets at fair value through profit or loss	(26,142)	(1,426)
(Increase) decrease in accounts receivable	(1,099,561)	(180,029)
(Increase) decrease in accounts receivable from related parties	739,188	(111,973)
(Increase) decrease in other receivables	(145,632)	480,595
(Increase) decrease in inventories	146,920	(1,599,361)
(Increase) decrease in other current assets	(19,467)	(113,769)
(Increase) decrease in other non-current assets	(259,337)	(96,007)
(Increase) decrease in notes payable	-	(38,753)
Increase (decrease) in accounts payable	(1,034,931)	(233,356)
Increase (decrease) in accounts payable to related parties	30,443	281,044
Increase (decrease) in other payables	(464,364)	(52,249)
Increase (decrease) in provisions	(232,836)	(407,467)
Increase (decrease) in other current liabilities	(178,152)	313,262
Increase (decrease) in net defined benefit liabilities	562	(2,193)
Increase (decrease) in other non-current liabilities	7,197	3,696
Cash flows generated from operations	647,767	4,004,323
Interest received	185,020	86,735
Interest paid	(43,966)	(33,826)
Income tax paid	(728,462)	(715,976)
Dividend received	71,728	80,422
Net cash flows generated from operating activities	132,087	3,421,678
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,000	1,000
Acquisition of financial assets at fair value through profit or loss	-	(45,000)
Acquisition of investments accounted for using equity method	(59,586)	(358,772)
Proceeds from disposal of subsidiaries	196,798	-

(Continued)

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Decrease in payable for investment	\$ -	\$ (362,643)
Decrease in finance lease receivables	94,491	71,848
Decrease in other receivables - time deposits	48,830	128,267
Acquisition of property, plant and equipment	(1,042,315)	(1,351,626)
Proceeds from disposal of property, plant and equipment	696,675	314,662
Acquisition of intangible assets	(320,122)	(374,144)
Proceeds from intangible assets	-	356
Decrease in refundable deposits paid	<u>(5,981)</u>	<u>(188,382)</u>
Net cash flows used in investing activities	<u>(389,210)</u>	<u>(2,164,434)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	6,148,050	1,069,040
Repayment of short-term borrowings	(6,077,970)	-
Repayment of long-term borrowings	(500,000)	-
Proceeds from guarantee deposits received	64,823	433,932
Repayments of the principal portion of lease liabilities	(184,100)	(225,233)
Dividends paid to owners of the Company	<u>(2,938,357)</u>	<u>(2,098,826)</u>
Net cash flows generated from (used in) financing activities	<u>(3,487,554)</u>	<u>(821,087)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(328,114)</u>	<u>262,997</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(4,072,791)	699,154
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>10,398,185</u>	<u>9,699,031</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 6,325,394</u>	<u>\$ 10,398,185</u>

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

# NUVOTON TECHNOLOGY CORPORATION

## BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,434,419	10	\$ 7,352,657	28
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	8,686	-	169	-
Accounts receivable, net (Notes 4 and 8)	837,845	4	833,452	3
Accounts receivable from related parties, net (Notes 4, 8 and 27)	1,591,869	7	298,581	1
Other receivables (Note 27)	59,622	-	55,659	-
Inventories (Notes 4 and 9)	3,286,830	14	3,132,051	12
Other current assets	<u>307,513</u>	<u>1</u>	<u>328,329</u>	<u>2</u>
Total current assets	<u>8,526,784</u>	<u>36</u>	<u>12,000,898</u>	<u>46</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	76,763	-	121,775	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 10)	1,215,897	5	1,117,763	4
Investments accounted for using equity method (Notes 4 and 11)	12,389,971	52	11,185,353	43
Property, plant and equipment (Notes 4 and 12)	824,617	3	634,009	2
Right-of-use assets (Notes 4 and 13)	146,696	1	177,648	1
Intangible assets (Notes 4 and 14)	357,413	2	575,887	2
Deferred tax assets (Notes 4 and 20)	99,000	-	137,000	1
Refundable deposits (Notes 27 and 28)	<u>247,873</u>	<u>1</u>	<u>314,895</u>	<u>1</u>
Total non-current assets	<u>15,358,230</u>	<u>64</u>	<u>14,264,330</u>	<u>54</u>
<b>TOTAL</b>	<u>\$ 23,885,014</u>	<u>100</u>	<u>\$ 26,265,228</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ 354	-	\$ 6,017	-
Accounts payable	774,153	3	872,141	3
Accounts payable to related parties (Note 27)	1,040,471	4	711,978	3
Other payables (Notes 16 and 27)	1,591,367	7	2,086,602	8
Current tax liabilities (Notes 4 and 20)	238,919	1	456,801	2
Lease liabilities - current (Notes 4 and 13)	42,061	-	38,766	-
Current portion of long-term borrowings (Note 15)	142,857	1	71,429	-
Other current liabilities	<u>255,521</u>	<u>1</u>	<u>248,301</u>	<u>1</u>
Total current liabilities	<u>4,085,703</u>	<u>17</u>	<u>4,492,035</u>	<u>17</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 15)	857,143	4	1,428,571	5
Products guarantee based on commitment (Note 4)	101,891	-	101,891	-
Lease liabilities - non-current (Notes 4 and 13)	83,430	-	115,528	1
Net defined benefit liabilities - non-current (Notes 4 and 17)	206,651	1	236,488	1
Guarantee deposits (Notes 4, 18 and 27)	1,805,726	8	2,311,351	9
Other non-current liabilities	<u>13,426</u>	<u>-</u>	<u>13,426</u>	<u>-</u>
Total non-current liabilities	<u>3,068,267</u>	<u>13</u>	<u>4,207,255</u>	<u>16</u>
Total liabilities	<u>7,153,970</u>	<u>30</u>	<u>8,699,290</u>	<u>33</u>
<b>EQUITY</b>				
Share capital (Note 19)	4,197,653	18	4,197,653	16
Capital surplus (Note 19)	6,995,630	29	6,871,827	26
Retained earnings (Note 19)				
Legal reserve	1,447,316	6	958,560	4
Special reserve	710,979	3	-	-
Unappropriated earnings	4,570,285	19	6,248,877	24
Exchange differences on translation of financial statements of foreign operations (Notes 4 and 19)	(1,556,260)	(7)	(1,005,611)	(4)
Unrealized gains on financial assets at fair value through other comprehensive income (Notes 4 and 19)	<u>365,441</u>	<u>2</u>	<u>294,632</u>	<u>1</u>
Total equity	<u>16,731,044</u>	<u>70</u>	<u>17,565,938</u>	<u>67</u>
<b>TOTAL</b>	<u>\$ 23,885,014</u>	<u>100</u>	<u>\$ 26,265,228</u>	<u>100</u>

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

# NUVOTON TECHNOLOGY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 27)	\$ 19,065,868	100	\$ 19,520,219	100
OPERATING COST (Notes 9 and 27)	<u>13,468,735</u>	<u>71</u>	<u>11,518,107</u>	<u>59</u>
GROSS PROFIT	<u>5,597,133</u>	<u>29</u>	<u>8,002,112</u>	<u>41</u>
OPERATING EXPENSES (Notes 21 and 27)				
Selling expenses	226,085	1	243,187	1
General and administrative expenses	715,572	4	847,873	4
Research and development expenses	3,856,310	20	3,948,546	20
Expected credit loss (gain)	<u>1,448</u>	<u>-</u>	<u>(5,089)</u>	<u>-</u>
Total operating expenses	<u>4,799,415</u>	<u>25</u>	<u>5,034,517</u>	<u>25</u>
PROFIT FROM OPERATIONS	<u>797,718</u>	<u>4</u>	<u>2,967,595</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES (Note 27)				
Finance costs	(25,807)	-	(18,499)	-
Share of (loss) profit of subsidiaries and associates accounted for using equity method	1,626,570	9	1,579,503	8
Interest income	122,568	1	74,629	1
Dividend income	61,003	-	67,222	-
Other gains and losses	15,649	-	18,679	-
Gains (losses) on disposal of property, plant and equipment	873	-	6,906	-
Foreign exchange gains (losses)	2,856	-	183,340	1
Gains (losses) on financial assets at fair value through profit or loss	<u>(5,818)</u>	<u>-</u>	<u>(133,064)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>1,797,894</u>	<u>10</u>	<u>1,778,716</u>	<u>9</u>
PROFIT BEFORE INCOME TAX	2,595,612	14	4,746,311	25
INCOME TAX EXPENSE (Notes 4 and 20)	<u>(175,178)</u>	<u>(1)</u>	<u>(525,538)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>2,420,434</u>	<u>13</u>	<u>4,220,773</u>	<u>22</u>

(Continued)

# NUVOTON TECHNOLOGY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 17)	\$ 24,982	-	\$ 73,185	-
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	55,134	-	(46,010)	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	29,759	-	(177,220)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(550,649)</u>	<u>(3)</u>	<u>39,330</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(440,774)</u>	<u>(3)</u>	<u>(110,715)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,979,660</u>	<u>10</u>	<u>\$ 4,110,058</u>	<u>21</u>
EARNINGS PER SHARE (Notes 4 and 22)				
From continuing operations				
Basic	<u>\$ 5.77</u>		<u>\$ 10.06</u>	
Diluted	<u>\$ 5.75</u>		<u>\$ 9.99</u>	

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

(Concluded)

# NUVOTON TECHNOLOGY CORPORATION

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

				Retained Earnings			Other Equity		Total Equity
							Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
	Ordinary Share	Certificates of Bond-to-stock Conversion	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2022	\$ 4,172,101	\$ 25,552	\$ 6,871,811	\$ 655,515	\$ -	\$ 3,763,192	\$ (1,044,941)	\$ 1,111,460	\$ 15,554,690
Appropriation of 2021 earnings (Note 19)									
Legal reserve	-	-	-	303,045	-	(303,045)	-	-	-
Cash dividends	-	-	-	-	-	(2,098,826)	-	-	(2,098,826)
Total appropriation earnings	-	-	-	303,045	-	(2,401,871)	-	-	(2,098,826)
Net profit for the year ended December 31, 2022	-	-	-	-	-	4,220,773	-	-	4,220,773
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	103,699	39,330	(253,744)	(110,715)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	4,324,472	39,330	(253,744)	4,110,058
Convertible bonds converted to ordinary shares (Note 19)	25,552	(25,552)	-	-	-	-	-	-	-
Unclaimed dividends from claims extinguished by prescriptions	-	-	16	-	-	-	-	-	16
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	-	-	-	563,084	-	(563,084)	-
BALANCE AT DECEMBER 31, 2022	4,197,653	-	6,871,827	958,560	-	6,248,877	(1,005,611)	294,632	17,565,938
Appropriation of 2022 earnings (Note 19)									
Legal reserve	-	-	-	488,756	-	(488,756)	-	-	-
Special reserve	-	-	-	-	710,979	(710,979)	-	-	-
Cash dividends	-	-	-	-	-	(2,938,357)	-	-	(2,938,357)
Total appropriation earnings	-	-	-	488,756	710,979	(4,138,092)	-	-	(2,938,357)
Net profit for the year ended December 31, 2023	-	-	-	-	-	2,420,434	-	-	2,420,434
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	39,066	(550,649)	70,809	(440,774)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	2,459,500	(550,649)	70,809	1,979,660
Unclaimed dividends from claims extinguished by prescriptions	-	-	22	-	-	-	-	-	22
Share-based payment transaction (Note 23)	-	-	3,380	-	-	-	-	-	3,380
Disposal of subsidiaries (Note 24)	-	-	120,401	-	-	-	-	-	120,401
BALANCE AT DECEMBER 31, 2023	\$ 4,197,653	\$ -	\$ 6,995,630	\$ 1,447,316	\$ 710,979	\$ 4,570,285	\$ (1,556,260)	\$ 365,441	\$ 16,731,044

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

# NUVOTON TECHNOLOGY CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 2,595,612	\$ 4,746,311
Adjustments for:		
Depreciation expense	219,998	228,173
Amortization expense	264,610	236,293
Expected credit loss (gain) recognized on accounts receivable	1,448	(5,089)
Finance costs	25,807	18,499
Interest income	(122,568)	(74,629)
Dividend income	(61,003)	(67,222)
Compensation costs of share-based payment transaction	3,380	-
Share of (profit) loss of associates	(1,626,570)	(1,579,503)
Unrealized gain (loss)	740	(3,753)
(Gains) losses on disposal of property, plant and equipment	(873)	(6,906)
Gain on lease modification	-	(9)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets at fair value through profit or loss	(14,168)	(96)
(Increase) decrease in accounts receivable	(511,466)	144,081
(Increase) decrease in accounts receivable from related parties	(1,293,288)	(145,742)
(Increase) decrease in other receivables	(7,203)	(19,013)
(Increase) decrease in inventories	(154,779)	(515,548)
(Increase) decrease in other current assets	20,816	(121,777)
Increase (decrease) in accounts payable	(97,988)	(597,073)
Increase (decrease) in accounts payable to related parties	328,493	585,283
Increase (decrease) in other payables	(391,427)	(19,554)
Increase (decrease) in other current liabilities	7,220	(121,186)
Increase (decrease) in net defined benefit liabilities	(4,855)	(3,345)
Cash flows generated by (used in) operations	(818,064)	2,678,195
Interest received	125,808	72,338
Interest paid	(25,864)	(18,344)
Income tax paid	(355,060)	(463,578)
Dividend received	61,003	67,222
Net cash flows generated from (used in) operating activities	(1,012,177)	2,335,833
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,000	1,000
Acquisition of financial assets at fair value through profit or loss	-	(45,000)
Acquisition of investments accounted for using equity method	(67,980)	-
Proceeds from capital reduction of investments accounted for using equity method	75,702	-
Dividends received from investments accounted for using equity method	13,001	5,262
Decrease in payable for investment	-	(362,643)

(Continued)

# NUVOTON TECHNOLOGY CORPORATION

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Acquisition of property, plant and equipment	\$ (297,358)	\$ (161,571)
Disposal of property, plant and equipment	1,586	13,866
Acquisition of intangible assets	(215,822)	(254,708)
(Increase) decrease in refundable deposits paid	<u>67,022</u>	<u>(202,733)</u>
Net cash flows generated from (used in) investing activities	<u>(421,849)</u>	<u>(1,006,527)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(500,000)	-
Proceeds from guarantee deposits received	-	655,388
Repayments of the principal portion of lease liabilities	(45,855)	(53,148)
Dividends paid to owners of the Company	<u>(2,938,357)</u>	<u>(2,098,826)</u>
Net cash flows generated from (used in) financing activities	<u>(3,484,212)</u>	<u>(1,496,586)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,918,238)	(167,280)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,352,657</u>	<u>7,519,937</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,434,419</u>	<u>\$ 7,352,657</u>

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

(Concluded)





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## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Nuvoton Technology Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Nuvoton Technology Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matter

Key audit matter is this matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. This matter was 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 this matter.

## Occurrence of Sales Revenues Recognition

Revenue from the sale of goods is recognized when the customer received the goods and bear the risk. We performed an analytical procedure on the sales revenue in 2023, and some kind of products have relatively high gross margins and certain percentage of annual sales, which has a material impact of the financial report. Therefore, we choose the occurrence of those products sales revenue as a key audit matter for the year ended December 31, 2023. Refer to Note 4 to the consolidated financial statements for the Group's revenue recognition policies.

Our audit procedures in response to the occurrence of sales revenue recognition included understanding the design and the implementation of internal control of sales revenue and selecting samples of revenue items and confirmation to verify that revenue transactions have indeed occurred.

## **Other Matter**

We have also audited the parent company only financial statements of Nuvoton Technology Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including members of the audit committee) are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kenny Hong and Shu-Lin Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 5, 2024

Notice to Readers

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

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

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Nuvoton Technology Corporation

### **Opinion**

We have audited the accompanying parent company only financial statements of Nuvoton Technology Corporation (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 matter is this matter that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

#### Occurrence of Sales Revenues Recognition

Revenue from the sale of goods is recognized when the customer received the goods and bear the risk. We performed an analytical procedure on the sales revenue in 2023, and some kind of products have relatively high gross margins and hold certain percentage of annual sales, which has a material impact of the financial report. Therefore, we choose the occurrence of those products sales revenue as a key audit matter for the year ended December 31, 2023. Refer to Note 4 to the financial statements for the Company's revenue recognition policies.

Our audit procedures in response to the occurrence of sales revenue recognition included understanding the design and the implementation of internal control of sales revenue and selecting samples of revenue items and confirmation to verify that sales transactions have indeed occurred.

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

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

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

Those charged with governance (including members of the audit committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

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

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with statements 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.

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Deloitte & Touche  
Taipei, Taiwan  
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February 5, 2024

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## **Review Report by the Audit Committee**

The Board of Directors has prepared the Company's 2023 Business Report, financial statements (including consolidated financial statements) and profit distribution proposal. The Board of Directors had engaged CPA Kou-Tien Hong and CPA Shu-Lin Liu from Deloitte & Touche to audit the financial statements, who issued an audited report containing an unqualified opinion. The above business report, financial statements and profit distribution proposal have been examined by the Audit Committee and are considered by the Audit Committee to be in conformity with the requirements. We hereby report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review the same.

To

2024 Annual General Shareholders Meeting of Nuvoton Technology Corporation

Convener of the Audit Committee: Pao-Sheng Wei

Date: March 5, 2024



**Nuvoton Technology Corporation**  
**Shareholdings of All Directors**

March 30, 2024

Title	Name	Current shareholding (Number of Shares)	Shareholding ratio (%)
Chairman	Winbond Electronics Corporation Representative: Yuan-Mou Su	214,954,635 shares	51.21%
Vice Chairman	Tzu-Kai Chiao	0	0.00%
Director	Arthur Yu-Cheng Chiao	0	0.00%
Director	Chin-Xin Investment Co., Ltd Representative: Jen-Lieh Lin	5,440,219 shares	1.29%
Director	Chi-Lin Wea	0	0.00%
Director	Royce Yu-Chun Hong	0	0.00%
Director	Liang-Chi Chen	0	0.00%
Independent Director	Pao-Sheng Wei	0	0.00%
Independent Director	David Shu-Chyuan Tu	0	0.00%
Independent Director	Allen Hsu	0	0.00%
Independent Director	Kuang-Chung Chen	0	0.00%
Shareholdings of All Directors		220,394,854 shares	52.50%

Notes: (1) The Company has a total of 419,765,268 issued shares as of March 30, 2024. Shareholdings of all directors are 220,394,854 shares and are in compliance with Article 26 of the Securities and Exchange Act.

(2) The Company has set up the Audit Committee and thus the requirement on the minimum shareholdings of all supervisors is not applicable.

**Explanations of Involvement of the Director in Acts for Himself or Others  
Which Fall into the Scope of the Company's Business**

(1) Winbond Electronics Corporation:

Names of Other Companies Where It Serves	Title	Business Items Identical or Similar to the Company's
Theaceae Conservation Corporation	Director	F401010 International Trade I501010 Product Design
Winbond Electronics Corporation Japan	Director	Research, development, sales and after-sales service of semiconductor components and related systems
Miraxia Edge Technology Corporation	Director	Semiconductor-related hardware and software system integration and design
Atfields Manufacturing Technology Corp.	Director	Design and services for semiconductor parts and components

(2) Chin Xin Investment Co., Ltd.:

Names of Other Companies Where It Serves	Title	Business Items Identical or Similar to the Company's
Theaceae Conservation Corporation	Director	F401010 International Trade I501010 Product Design

(3) Mr. Jen-Lieh Lin:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Miraxia Edge Technology Corporation	Director	Semiconductor-related hardware and software system integration and design
Callisto Holding Limited	Chairman	Electronic commerce and Investments.
Miraxia Technology Taiwan Corporation	Director	I301010 Information Software Service F401010 International Trade I501010 Product Design

(4) Mr. Chi-Lin Wea:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Inventec Corporation	Independent Director	CC01080 Electronics Components Manufacturing CC01110 Computer and Peripheral Equipment Manufacturing F401010 International Trade I301010 Information Software Service

(5) Mr. Royce Yu-Chun Hong:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Xing Propulsion Inc.	Chairman	CC01080 Electronics Components Manufacturing F401010 International Trade I501010 Product Design

(6) Mr. Liang-Gee Chen:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Qisda Corporation	Independent Director	F401010 International Trade

(7) Mr. Pao-Sheng Wei:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.	Independent Director	F401010 International Trade
Ascendo Biotechnology, Inc.	Director	F401010 International Trade

(8) Mr. David Shu-Chyuan Tu:

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Synergy Intelligent Technology Co., Ltd	Chairman	I301010 Information Software Service

# Appendixes

(English Translation)

**Nuvoton Technology Corporation**  
**Rules Governing the Conduct of Shareholders Meeting**

The seventh amendment was adopted by the annual  
general shareholders meeting on June 2, 2022

Article 1

These Rules were created for the specific purpose of establishing a good shareholders meeting governance system to strengthen the supervisory and management functions of the Company.

Article 2

Unless otherwise provided relevant laws, regulations and the Articles of Incorporation, all shareholders meetings of the Company shall be conducted in accordance with these Rules.

With the exceptions of Article 3 and Article 4 of these Rules, in which the term "shareholder" refers to shareholders themselves, "shareholder" as used in these Rules refers to shareholders themselves or a legally commissioned proxy attending on behalf of a shareholder.

Article 3

The shareholders' meetings of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.

Any change in the manner of holding a shareholders meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders meeting.

All shareholders shall be served with the convention notice of annual general shareholders meeting at least 30 days prior to each meeting, except for those shareholders each holding less than 1,000 registered shares who may be notified by means of an announcement on the Market Observation Post System at least 30 days prior to the meeting according to relevant laws and regulations. All shareholders shall be served with the convention notice of special shareholders' meetings at least 15 days prior to the meeting, except for those shareholders each holding less than 1,000 registered shares who may be notified by means of an announcement on the Market Observation Post System at least 15 days prior to the meeting according to relevant laws and regulations.

Convention notices and announcements shall state the reasons for the meeting. The convention notice may, as an alternative, be given by means of electronic transmission, after obtaining the prior consent of shareholders.

The matters specified in Paragraph 5 of Article 172 of the Company Act, or Article 26-1 or Article 43-6 of the Securities and Exchange Act, or Article 56-1 or Article 60-2 of the

Regulations Governing Offering and Issuance of Securities by Issuers shall be listed among the reasons and explained in the convention notice of the meeting, and may not be proposed as extemporary motions.

The Company shall prepare the agenda handbook for shareholders meeting prior to the meeting in accordance with the relevant laws and regulations.

Where the reasons for convening a shareholders meeting has specified the general re-election of directors and the date of their assumption of office, then after the completion of such re-election at such shareholders meeting, the date of their assumption of office shall not be changed at the same meeting by way of ad-hoc motion or otherwise.

A shareholder holding 1 percent or more of the total number of issued shares may propose in writing to the Company a proposal for discussion at an annual shareholders meeting; provided that only one matter shall be allowed in each single proposal. In case a proposal submitted by shareholder(s) contains more than one matter, such proposal shall not be included in the agenda of the shareholders meeting. In addition, if any of the circumstances listed in Paragraph 4 of Article 172-1 of the Company Act occurs to the proposal submitted by any shareholder, the Board of Directors of the Company may ignore that proposal.

The Company shall announce the acceptance of shareholders' proposal, the place and the period for shareholders to submit proposals to be discussed at the shareholders meeting prior to the commencement of the close period for share transfer. The period for accepting such proposals shall not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The 300 words limit includes reasons and punctuation marks. Shareholders submitting proposals to be discussed at the shareholders meeting shall attend the shareholders meeting in person or by proxy, and participate in discussion of those proposals.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders meeting the Board of Directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

#### Article 4

Prior to any shareholders meeting, a shareholder may appoint a proxy to attend the meeting by issuing a power of attorney in the proxy form provided by the Company stating the scope of authorization.

Each shareholder may issue one proxy form, and may only appoint one person to serve as a proxy. The power of attorney must be delivered to the Company at least five days prior to each shareholders meeting. If two or more written proxy forms are received from a 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.

After the Company receives a proxy form, in the case that a shareholder who has issued a power of attorney intends to attend the shareholders meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a written proxy rescission notice need be delivered to the Company two days prior to the date of the shareholders meeting; otherwise, the voting right exercised by the authorized proxy at the meeting shall prevail.

If a shareholder wishes to attend a shareholders meeting by video conferencing after the proxy has been delivered to the Company, he/she shall give written notice of revocation of such proxy to the Company two days prior to the shareholders meeting; if the proxy is revoked after that date, votes cast at the meeting by the proxy shall prevail.

#### Article 5

Shareholders meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such meetings. Shareholders meetings shall not start earlier than 9:00 AM or later than 3:00 PM. About the place and time of shareholders' meetings, if the Company has independent directors, the opinions of each attending independent directors shall be taken into full consideration.

When the Company holds a virtual shareholders meeting, the restrictions on the place of meeting prescribed in the preceding paragraph shall not apply.

#### Article 6

The Company shall specify in its shareholders meeting notices the time during which shareholders, proxy solicitors, and proxies (collectively, "shareholders") attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted prescribed in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and sufficient number of suitable personnel shall be assigned to handle the registrations. Attendance registrations for the virtual shareholders meeting shall be accepted at the Video Conferencing Platform of the Shareholders Meetings at least 30 minutes before the commencement of the meeting. Shareholders who have completed the attendance registration process shall be deemed to be present in person at the shareholders meeting.

This Company shall prepare an attendance book for attending shareholders or proxies of shareholders ("Shareholders") to sign in, or Shareholders present may hand in an attendance sign-in card in lieu of signing on the attendance book. Each Shareholder attending the shareholders meeting in person (or proxy) shall wear an attendance pass.

The Company shall hand in the agenda handbook, annual report, attendance pass, speech note, ballot and other meeting documents to the Shareholders attending the shareholders meeting. If there is an election of directors, the Company shall hand out election ballot as well.

Shareholders shall attend shareholders' meetings based on attendance passes, attendance sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for

other documents beyond those showing eligibility to attend presented by Shareholders. Solicitors who have solicited proxies shall also bring identification documents for verification.

When a government or legal entity is a shareholder, said shareholder may be represented by more than one proxy at a shareholders meeting. A legal entity serving as proxy to attend a shareholders meeting may designate only one representative to attend such meeting.

Shareholders who wish to attend the shareholders meeting by video conferencing should register with the Company two days prior to the shareholders meeting.

If a shareholders meeting is held by video conferencing, the meeting handbook, annual report and other relevant materials shall be uploaded by the Company to the Video Conferencing Platform of the Shareholders Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.

#### Article 6-1

To convene a virtual shareholders meeting, the Company shall state the following in the notice of the shareholders meeting:

1. The method of shareholders' attendance in the video conference and exercising their rights.
2. The way to deal with obstacles to the Video Conferencing Platform or attendance via video conferencing due to natural disasters, contingencies, or other force majeure, including at least the following:
  - (1) The time when the meeting is postponed or reconvened due to the persistence of the foregoing disruption, and the date of the postponed or resumed meeting, if any.
  - (2) Shareholders who have not registered to attend the original shareholders meeting by video conferencing are not allowed to attend the postponed or resumed meeting.
  - (3) In case of a hybrid shareholders meeting, if the video conferencing cannot be continued, then after deducting the number of shares attending the shareholders meeting by video conferencing, if the total number of shares held by the shareholders' present reach the quorum for the shareholders meeting, the shareholders meeting shall be continued. Shareholders participating by video conferencing shall be counted as the total number of shares held by the shareholders present and shall be deemed to have abstained from voting on all motions at that meeting.
  - (4) The manner of handling of the situation where the results of all motions have been announced and no ad hoc motion has been made.
3. Where a virtual shareholders meeting is held, the Company shall include appropriate alternatives for shareholders who have difficulty participating in the shareholders meeting by video conferencing.

#### Article 7

If a shareholders meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall serve as chair for the meeting. If the Chairman of the Board of Directors is on



leave or for any reason unable to perform his duties as Chairman, the Vice-Chairman shall act in place of the chairman. If the Company does not have a Vice-Chairman or the Vice-Chairman is also on leave or for any reason unable to perform the necessary duties, the Chairman of the Board of Directors shall appoint a managing director to serve on his behalf. If there are no managing directors, the Chairman of the Board of Directors shall appoint a director to serve on his behalf. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair for the meeting.

If a shareholders meeting is convened by a party other than the Board of Directors, the convening party shall chair the meeting. When there are two or more individuals within such convening parties, the convening parties shall select a chair from among themselves in mutual agreement.

The Company may appoint lawyer(s) or certified public accountant(s) engaged by the Company, or relevant persons, to attend a shareholders meeting.

#### Article 8

The process of the shareholders meeting shall be audio recorded or video recorded in its entirety and these records shall be preserved for at least one year. If the Company allows shareholders to exercise their voting right in writing or by way of electronic transmission, the related written and media data shall also be preserved for at least one year. However, if a lawsuit has been filed by any shareholder pursuant to Article 189 of the Company Act, all records and data involved shall be kept by the Company until the legal proceedings of the lawsuit have been concluded.

If a shareholders meeting is held by video conferencing, the information on shareholders' registration, enrollment, attendance, questions, voting, and the Company's vote counting results shall be recorded and kept, and the entire video conference shall be continuously and uninterruptedly recorded and video-taped.

The Company shall keep the aforementioned information and audio and video recordings during their preservation period and provide the audio and video recordings to the person in charge of the matters relating to the video conference for retention.

#### Article 9

Attendance at the shareholders meeting shall be determined based on the number of shares. The number of shares represented by shareholders at the meeting shall be calculated as the number of shares represented by those present in person as indicated by the attendance book or attendance sing-in cards and the number of shares held by shareholders registering their attendance on the Video Conferencing Platform, plus the number of shares in which voting rights are exercised in writing or by way of electronic transmission.

The chairman shall announce the commencement of the shareholders meeting and relevant information such as the number of non-voting shares and the number of shares whose holders are present at the time scheduled for the meeting. But if the number of shares represented by the shareholders present at the meeting is less than one-half of all issued shares of the Company at

the time scheduled for the meeting, the chairman may announce the postponement of the meeting. The shareholders meeting can only be postponed twice and the time of the postponement shall not be more than one hour in total. If, after two postponements, the number of shares represented by the shareholders present at the meeting is less than one third of all issued shares of the Company, the chairman shall declare the meeting adjourned. Where the shareholders meeting is held by video conferencing, the adjournment of the meeting shall be announced on the Video Conferencing Platform of the Shareholders Meetings.

If after two postponements as aforementioned, the number of shares represented by the shareholders present at the meeting is still less than one-half of all issued shares of the Company but the shareholders present at the meeting represent more than one-third of all issued shares, tentative resolutions may be made in accordance with Paragraph 1 of Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and the shareholders meeting shall be reconvened within one month. Shareholders who wish to attend the virtual shareholders meeting by video conferencing shall re-register with the Company in accordance with Article 6 hereof.

If the number of the shares represented by the shareholders present at the shareholders meeting reaches one-half of all issued shares of the Company prior to the end of the meeting, the chairman may submit the aforementioned tentative resolutions to the shareholders meeting for approval in accordance with Article 174 of the Company Act.

#### Article 10

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The shareholders meeting shall be conducted according to the agenda, and unless otherwise provided by these Rules herein or laws and regulations, the agenda shall not be changed without resolution from the shareholders meeting.

The above provision in the preceding paragraph also applies to shareholders' meetings convened by any parties that are not the Board of Directors but have the power to convene such meetings.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including extemporaneous motions) listed in the agenda made according to the preceding two paragraphs are completed; after the meeting is adjourned, shareholders cannot designate another person as chairman and continue the meeting at the same or other place.

When the chairman sees the discussion over a motion, an amendment, or extemporaneous motion as having proceeded to the extent necessary to make a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.

#### Article 11

When a shareholder presents at the meeting wishes to speak, he/she shall fill in a speech note specifying the summary of his/her speech, the shareholder's account number (or the attendance pass number) and the account name of the shareholder. The chairman shall determine the

sequence of shareholders' speeches.

If any shareholder present at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note submitted by such shareholder, the contents of the actual speech shall prevail. Conduct for proxy's speeches shall comply with the letter of the proxy forms, documents of public solicitation and advertisement. Unless otherwise provided by laws and regulations, the shareholders appointing a proxy to attend the shareholders meeting shall agree with any speeches and voting made by the proxy in the shareholders meeting.

The same shareholder may not speak more than twice on the same motion without the chairman's permission, and each speech time may not exceed 5 minutes. The chairman may halt the speech of any shareholder who violates the above provision or when the content of such speech is outside the scope of the ongoing discussion.

When a shareholder speaks at the meeting, unless otherwise permitted by the chairman and the speaking shareholder, no other shareholders shall interrupt the speech of the speaking shareholder; the chairman shall stop any violations.

The number of representatives appointed by a legal-entity shareholder to attend the shareholders meeting should not exceed the number of directors to be elected at the shareholders meeting if there is an election of directors at that shareholders meeting, or the number of directors elected for a term of office if there is no election of directors at that shareholders meeting, and only one representative can speak for the same motion.

After the speeches of the shareholders present at the shareholders meeting, the chairman may respond in person or designate relevant persons to respond to the speech.

Shareholders participating in the shareholders meeting by video conferencing may ask questions by sending texts on the Video Conferencing Platform after the chairman calls the meeting to order and before the meeting is adjourned; they may ask only two questions per motion, and each question shall be limited to 200 words. The provisions of Paragraphs 1 to 5 hereof shall not apply here.

## Article 12

Voting at the shareholders meeting shall be determined based on the number of shares.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.

The preceding shares for which voting right cannot be exercised shall not be counted in the number of votes of shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the competent authority in charge of securities laws, when a person who acts as the proxy for two or more shareholders, the number of voting rights represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting rights shall not be counted.

### Article 13

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

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic transmission. When voting rights are exercised by correspondence or electronic transmission, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic transmission will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extemporaneous motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid any submission of extemporaneous motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic transmission, in the event the shareholder intends to attend the shareholders meeting in person or by video conferencing, 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 of which the voting rights were exercised, 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic transmission shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic transmission and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

If the Company allows its shareholders to exercise their voting rights in writing by correspondence or by way of electronic transmission, the Company shall finish the counting and verification of the votes cast in writing by correspondence or by way of electronic transmission prior to the convening of the shareholders meeting.

If the Company allows its shareholders to exercise their voting rights in writing by correspondence or by way of electronic transmission, the Company shall compile the number of votes cast in writing by correspondence or by way of electronic transmission and prepare a statement of information and disclose such statement of information in an explicit manner at the venue of the shareholders meeting.

Unless otherwise provided laws and regulations or the Company's Articles of Incorporation, resolutions agreed upon by a majority of the votes represented by shareholders present at the meeting shall be adopted. The voting rights of shareholders shall be calculated according to the voting rights of represented shares that shareholders may exercise in accordance with laws and regulations or the Company's Articles of Incorporation. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders.

A motion may be resolved by way of vote, or shall be deemed passed if no objection to the motion is expressed by all of the shareholders present at the meeting after the solicitation of the chairman, and shall have the same effect as if it was voted through ballot casting.

If there is an amendment or alternative to a motion, the chairman shall combine the amendment or alternative with the original motion to determine their orders for resolution. In addition, if the proposal submitted by shareholders according to Article 3 of these Rules is conflicting or amending or substituting against the proposal of the Board of Directors, the chairman shall combine the proposal of shareholders with that of the Board of Directors to decide the order for resolution. If any one of the above motions is passed, the others shall be deemed as rejected, upon which no further resolution shall be required. But where the Company allows its shareholders to exercise their voting rights in writing by correspondence or by way of electronic transmission, unless the number of votes cast in writing by correspondence or by way of electronic transmission have reached a majority vote for the motion, the passing of a motion may not occur through the "passed if no objection to the motion is expressed by all of the shareholders present at the meeting" clause.

Vote monitoring and counting personnel for the voting on a motion shall be appointed by the chairman.

Counting of the votes shall be completed at the site of the shareholders meeting. The result of the votes shall be announced and recorded on the spot.

Where the Company convenes a virtual shareholders meeting, after the Chairman calls the meeting to order, shareholders who participate in the shareholders meeting by video conferencing shall vote on each motion and election motion through the Video Conferencing Platform, and shall complete the voting before the Chairman announces the end of the voting, and any delay shall be deemed as abstention.

Where the Company convenes a virtual shareholders meeting, the Company shall conduct a one-time vote count and announce the voting and election results after the Chairman announces the close of voting.

When the Company convenes a hybrid shareholders meeting, shareholders who have registered to attend the shareholders meeting by video conferencing in accordance with Article 6 but wish to attend the physical shareholders meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders meeting; if they deregister after that time, they may attend the shareholders meeting by video conferencing only.

Those who exercise their voting rights by written or electronic means without revoking their expression of intention and participate in the shareholders meeting by video conferencing may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except for ad hoc motions.

The persons responsible for checking ballots must be shareholders and shall monitor the voting procedure to prevent the occurrence of inappropriate voting behavior, examine ballots and monitor the records of the persons responsible for counting ballots. A ballot will be deemed invalid and shall not be calculated under any of the following conditions:

1. Where a ballot is not placed on the form provided by the Company.
2. Where a ballot is not placed in the ballot box.
3. Where a ballot is blank without any words written or without any writing expressing opinion regarding the motion.
4. Where a ballot is found to have words thereon other than those required to be filled in.
5. Where the handwriting on a ballot is too blurred or indistinct to be readable or has been altered.
6. Where a ballot is used by a proxy in violation of "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."
7. Where any violation of laws or regulations or voting guidelines made by the Company is found.

The standard for recognition of invalid ballots in cases of shareholders exercising voting rights in writing by correspondence is carried out in conformity with the Subparagraphs 1, 3, 4, 5 and 7 of the preceding Paragraph. In the case of doubts or disputes, the Company's verification unit is authorized to arbitrate the doubts or dispute. In addition, the standard for recognition of invalid ballots in cases of shareholder voting rights being exercised through electronic transmission is carried out in conformity with Subparagraph 7 of the preceding Paragraph, as well as in compliance with the regulations of the relevant competent authority.

#### Article 14

If the shareholders shall elect directors at the shareholders meeting, the election shall be handled in accordance with the rules related to election of directors of the Company and the results of the election shall be announced on the spot, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election of the preceding Paragraph shall be properly preserved in envelopes with seals and signatures of the persons responsible for checking ballots thereon and shall be preserved for at least one year; provided that if any shareholder files a lawsuit according to Article 189 of the Company Act, such ballots shall be preserved until end of the litigation.

## Article 15

Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The minutes of the meeting may be prepared and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding Paragraph by means of a public announcement made through the Market Observation Post System.

The meeting minutes shall accurately record the date (year, month, day) and venue of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be preserved for the duration of the existence of the Company.

If a shareholders meeting is held by video conferencing, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding Paragraph, the starting and ending time of the shareholders meeting, the manner in which the meeting is held, the names of the chairman and the minute taker, and the manner and situation of handling any interruption from the Video Conferencing Platform or video participation due to natural disasters, contingencies, or other force majeure.

In addition to complying with the provisions of the preceding Paragraph, the Company, if convenes a virtual shareholders meeting, shall include in the minutes of the alternatives for shareholders who have difficulties in participating in the shareholders meeting by means of video conferencing.

## Article 16

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, as well as those held by shareholders present in writing or by electronic means, and shall make an express disclosure of the same at the venue of the shareholders meeting. If a shareholders meeting is held by video conferencing, the foregoing information shall be uploaded by the Company to the Video Conferencing Platform of the Shareholders Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.

If a shareholders meeting is held by video conferencing, the total number of shares of shareholders present shall be disclosed on the Video Conferencing Platform when the meeting is called to order. The same shall apply if the total number of shares and voting rights of shareholders' present are also counted during the meeting.

## Article 17

Where the Company convenes a virtual shareholders meeting, the voting results of each motion

and the election results shall be disclosed by the Company on the Video Conferencing Platform of the Shareholders Meetings in accordance with the regulations and shall continue to be disclosed for at least 15 minutes after the chairman announces the adjournment of the meeting.

#### Article 18

When the Company holds a virtual shareholders meeting, the chairman and minute taker shall be present at the same place in the Republic of China.

#### Article 19

When a shareholders meeting is convened by video conferencing, the chairman, when calling the meeting to order, shall announce separately that, except for the circumstances specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the postponement or reconvening of the meeting, if, before the chairman announces the adjournment of the meeting, there is any interruption to participation on the Video Conferencing Platform or by video conferencing for a period of 30 minutes or more due to a natural disaster, a contingency, or other force majeure, the meeting shall be postponed or resumed within five days, in which case Article 182 of the Company Act shall not apply.

In the event of a postponement or reconvening of a meeting under the preceding Paragraph, shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the postponed or resumed meeting.

For those shareholders who have registered to attend the original shareholders meeting by video conferencing and have completed attendance registration for the meeting, but have not attended the postponed or resumed meeting, their number of shares, voting rights and election rights exercised at the original shareholders meeting shall be counted as the total number of shares, voting rights and election rights of shareholders present at the postponed or resumed meeting.

If the shareholders meeting is postponed or resumed in accordance with Paragraph 1, it is not necessary to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the list of directors or supervisors elected have been announced.

In the event that the Company convenes a hybrid shareholders meeting and the meeting cannot be reconvened in the case of any circumstance under Paragraph 1, and if, after deducting the number of shares present at the shareholders meeting by video conferencing, the total number of shares present still reaches the quorum for the shareholders meeting, the shareholders meeting shall continue, without being postponed or resumed in accordance with Paragraph 1.

In the event that a meeting should be continued, the number of shares held by shareholders participating in the meeting by way of video conferencing shall be counted as the total number of shares of shareholders present, but shall be deemed to be abstained for all motions at that meeting.

If the Company postpones or resumes a shareholders meeting in accordance with Paragraph 1, the Company shall follow the provisions set forth in Paragraph 7, Article 44-20 of the



Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary procedures on the date of the original shareholders meeting and in accordance with the provisions of such Article.

The Company shall postpone or resume the shareholders meeting in accordance with the provisions of Paragraph 1 within the period stipulated in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and that specified in Paragraph 2 of Article 44-5, Article 44-15, or Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

#### Article 20

The Company, if wishing to convene a virtual shareholders meeting, shall provide appropriate alternatives for shareholders who have difficulties in participating in the shareholders meeting by means of video conferencing.

#### Article 21

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

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. Proctors or security personnel helping to maintain order at the meeting place shall wear an identification card or armband bearing the word "Proctor."

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

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

#### Article 22

When a meeting is in progress, the chairman may announce a break based on time considerations. If an air-raid alarm, an earthquake or a force majeure event occurs, the chairman may unilaterally rule the meeting temporarily suspended for evacuation individually and announce whether, in view of the circumstances, the meeting will be resumed after the reason of suspending the meeting is eliminated.

#### Article 23

Any concerning matter that is not addressed in these Rules shall be handled in accordance with the Company Act and other related laws and regulations, and the relevant provisions of the Articles of Incorporation of the Company.

#### Article 24

These Rules shall be effective from the date it is approved by the shareholders meeting. The same applies in the case of amendments.

#### Article 25

These Rules were enacted on June 10, 2009.

The first amendment was made on June 5, 2012.

The second amendment was made on June 10, 2015.

The third amendment was made on June 15, 2016.

The fourth amendment was made on June 24, 2019.

The fifth amendment was made on May 29, 2020.

The sixth amendment was made on June 11, 2021.

The seventh amendment was made on June 2, 2022.

**Nuvoton Technology Corporation**  
**Articles of Incorporation**

**I. General Provisions**

Article 1

The Company is incorporated as a company limited by shares under the Company Act and shall have the name 新唐科技股份有限公司 (NUVOTON TECHNOLOGY CORPORATION, hereinafter “the Company”).

Article 2

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

1. CC01080 Electronic Parts and Components Manufacturing
2. CC01110 Computers and Computing Peripheral Equipment Manufacturing
3. CC01120 Data Storage Media Manufacturing and Duplicating
4. F401010 International Trade
5. I301010 Software Design Services
6. I501010 Product Designing

Research and development, designing, manufacturing and selling of the following products and technologies:

1. Consumer Logic IC Products
2. Computer Logic IC Products
3. Production, testing, and foundry service of 6-inch wafers

Article 3

The Company may provide endorsement and guarantee for the operational needs of the Company.

Article 4

The total amount of the Company's investments shall not be subject to the ceiling of 40% of the Company's paid-up capital.

Article 5

The Company has its head-office in Hsinchu Science Park, Taiwan. Subject to the approval of the Board of Directors and government authority, the Company may, if necessary, set up branches or business offices within and outside of the Republic of China.

#### Article 6

Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

## II. Shares

#### Article 7

The total capital of the Company shall be in the amount of five billion New Taiwan Dollars (NT\$5,000,000,000), divided into 500 million shares, at ten New Taiwan Dollars (NT\$10) each, and may be issued in installments and part of which may be preferred shares. The un-issued shares may be issued by a resolution of the Board of Directors whenever it deems necessary. In the aforesaid total capital, up to one hundred eighty million New Taiwan Dollars (NT\$180,000,000) may be reserved for issuance of stock warrants, preferred shares with warrants or corporate bonds with warrants, consisting of 18 million shares, with a par value of ten New Taiwan Dollars (NT\$10) per share, which may be issued in installments. The respective amount of stock warrants, preferred shares with warrants or corporate bonds with warrants may be adjusted by the Board of Directors in consideration of factors concerning capital market and operation needs.

#### Article 7-1:

The rights and obligations and other major issuance terms of the Company's preferred shares are as follows:

1. The dividend on preferred shares shall be limited to a maximum of 8% per annum and calculated by the issuance price per share, take priority over the dividend and bonus on common shares and be distributed once in cash every year. After the Company resolves the distribution of earnings, the Board of Directors will determine the record date on which the distributable dividends for the previous year will be paid. The distribution amount of dividends in the year of issuance and year of redemption shall be calculated based on the actual number of issuance days of the current year. The issuance date shall be defined as the record date for the issuance of the preferred shares for capital increase.
2. The Company has sole discretion over the distribution of dividends on preferred shares, and may resolve not to distribute dividends on preferred shares. If there are no earnings in the annual final accounts or the shareholders' meeting resolves not to distribute any dividends on preferred shares, any such undistributed dividends shall not be cumulative, and no deferred payment will be paid in subsequent years where there are earnings.
3. Except for receiving the dividends prescribed in subparagraph 2 of this paragraph, preferred

shareholders are not entitled to the distribution of cash or stock dividends from earnings or the capital reserve with regard to common shares.

4. Holders of preferred shares shall take priority over holders of common shares with respect to the distribution of the residual property of the Company and rank *pari passu* with shareholders of all kinds of preferred shares issued by the Company in terms of debt repayment but inferior to general creditors, provided that the amount of such distribution shall not exceed that of the preference shares then in issue and outstanding calculated at the issuance price.
5. Holders of preferred shares shall have no right to vote in the shareholders' meeting, but are entitled to be elected as directors. However, such shareholders have voting rights in preferred shareholders' meetings and in the shareholders' meetings that deal with agendas relating to any rights and obligations of preferred shareholders.
6. Preferred shares may not be converted into common shares.
7. Preferred shares shall have no maturity, and preferred shareholders shall not request the Company to redeem the preferred shares they hold, but the Company may redeem all or part of the preferred shares at any time on or after the next day following the fifth anniversary of the issuance date at the original issuance price. Unredeemed preferred shares shall continue to enjoy rights and obligations of issuance terms prescribed in the preceding subparagraphs. In the year when the Company resolves to distribute any dividends, the dividends that shall be distributed until the redemption date shall be calculated based on the actual number of issuance days of that year.
8. The capital reserve from the premium issue of the preferred shares shall not be capitalized during the issuance period of the preferred shares. The Board of Directors is authorized to determine the name, issuance date and specific issuance terms of the preferred shares upon actual issuance thereof depending on the conditions of capital markets in accordance with these Articles of Incorporation and related laws and regulations.

#### Article 8

The shares issued by the Company may be in scripless form and without physical certificates, but the Company shall register the shares with the central securities depository institution.

#### Article 9 (Deleted)

### **III. Shareholders Meeting**

#### Article 10

Shareholders meetings of the Company are of two types: regular meetings and special meetings.

Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, whenever necessary. A preferred shareholders' meeting may be convened in accordance with relevant laws and regulations when necessary.

The Company's shareholders' meetings may be held by video conferencing or other means announced by the central competent authority.

#### Article 11

Shareholders may designate a proxy to attend a shareholders meeting with a power of attorney stating the scope of authority in accordance with the Company Act and relevant regulations, promulgated by government authorities.

#### Article 12

Each share of stock shall be entitled to one vote, unless otherwise provided by applicable laws or regulations.

#### Article 13

Except otherwise provided by the laws and regulations, a resolution of the shareholders meeting shall be adopted by the consent of a majority of the votes represented by attending shareholders, in person or by proxy, who represent a majority of the total issued shares of the Company.

#### Article 13-1

The revocation of public issuance shall be reported to the shareholders meeting for resolution.

#### Article 14 (Deleted)

### **IV Board of Directors and Audit Committee**

#### Article 15

The Company shall have nine to eleven directors whose term of office is three years. Among the directors there should be not less than three independent directors. Election of directors shall adopt the candidates, nomination system prescribed in Article 192-1 of the Company Act. All of the directors are elected by the shareholders meeting from the candidate list of directors and are eligible for re-election. Independent and non-independent directors shall be elected at the same time, but the quota shall be calculated separately. The method of candidate nomination and election of directors shall conform to the Company Act, the Securities and Exchange Act, and other relevant rules and regulations. The professional qualifications, requirements relating to shareholdings, restrictions on concurrent positions held, and other compliance matters with respect to independent directors shall conform to relevant rules and regulations. The Board of Directors may resolve to purchase liability insurance for directors of the Company.

#### Article 15-1

The Company, pursuant to Article 14-4 of the Securities and Exchange Act, establish an audit committee. The audit committee shall be formed by all independent directors and shall have no less than three members and one of the members shall be the convener and at least one member shall be a professional on accounting or finance. The members of the audit committee shall be responsible for performing the functions and duties provided under the Company Act, Securities and Exchange Act and other laws and regulations and shall comply with relevant laws and regulations and the Company's rules and regulations.

#### Article 16

The Board of Directors shall consist of the directors of the Company; the Chairman of the Board of Directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. A Vice chairman may be appointed to assist the Chairman.

#### Article 17

Except as otherwise provided by law, meetings of the Board of Directors are convened by the Chairman of the Board of Directors. When convening a meeting of the Board of Directors, a meeting notice specifying the reasons for convening such meeting shall be sent to each director within the period prescribed by the competent authority in charge of securities laws prior to the meeting; provided that a meeting may be convened at any time in case of emergency without written notice.

The meeting notice set forth in the preceding paragraph may be in writing or e-mail or by fax.

Unless otherwise provided by law, resolutions adopted at a meeting of the Board of Directors must be approved by a majority vote of the directors being present, who shall represent no less than half of the total number of directors. Directors may designate other directors as their proxies to attend the meetings of the Board of Directors; provided that each director may act as proxy for one other director only. The Board of Directors shall meet at least once every three months.

#### Article 18

In the case where the Chairman of the Board of Directors is on leave or otherwise unable to perform his/her duties, matters conducted on behalf of the Chairman shall be handled in accordance with Article 208 of the Company Act.

#### Article 19

The Board of Directors is authorized to determine the remuneration of directors based on their contribution and involvement in the operations of the Company and by reference to standard compensation levels in similar industries both domestically and internationally.

#### Article 20

The authorities of the Board of Directors are as follows:

1. Review operation principles, and long term and short term development plans.
2. Review and implement annual business plans.
3. Approve budget and review the results at year-end;
4. Propose to increase or decrease the Company's capital.
5. Propose profit distribution or a plan for making up losses.
6. Review, approve, amend and terminate material contracts and contracts relating to procurement, transfer, licensing or technical cooperation of important technology and patents.
7. Propose and review plans in connection with using transfer as security, sale, lease, pledge, mortgage, or other disposal of all or a substantial portion of assets of the Company.
8. Propose to revise the Articles of Incorporation.
9. Review and approve the Company's organizational structures and important business rules.
10. Decide the establishment, reorganization, or removal of branch or business offices.
11. Review capital expenditure projects whose values are over NT\$300 million (included). The Chairman of the Board of Directors is authorized to review and approve capital expenditure projects whose values are below the aforesaid amount.
12. Appoint or remove corporate officials at the level of vice presidents and higher.
13. Convene shareholders' meetings and make business report (including but not limited to the date, place and manner of holding the same).
14. Approve the Company's investments or transfers of shares whose value is above NT\$300 million (included). The Chairman of the Board of Directors is authorized to review and approve investments or transfers of shares whose values are below the aforesaid amount.
15. Appoint or dismiss auditing certified public accountant of the Company.
16. Apply for financing, providing guarantees, acceptances and credit extension with, and raise debts from, financial institutions or third persons, whose value is above NT\$300 million (included). The Chairman of the Board of Directors is authorized to review and approve those whose values are less than the aforesaid amount.
17. Decide the amount of endorsements, guarantees, and acceptances to be made in the name of the Company.
18. Examine and approve major business transactions between relevant parties (including affiliated enterprises).
19. Perform such other duties and responsibilities prescribed by law or authorized by the shareholders' meetings.



When it is necessary and legally permissible, the Chairman of the Board of Directors may review, approve, or implement the matters listed in aforementioned paragraphs before reporting to the Board of Directors. When used for the same purposes, the matters specified in items 11, 14, and 16 of this Article shall not be divided for contracting or applied for, or implemented without prior approval.

Article 21 (Deleted)

## **V. Managers**

Article 22

The Company may have chief executive officer, president and several vice presidents according to the resolution of the Board of Directors, and their appointment, removal, and remuneration shall be handled in accordance with Article 29 of the Company Act. The Board of Directors is authorized to determine the duties and functions of said managers or the Board of Directors may authorize the Chairman of the Board of Directors to determine the duties and functions of the said managers.

## **VI. Accounting**

Article 23

The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year.

Article 24

After the end of each fiscal year, the Board of Directors shall have the following documents prepared: (1) business report, (2) financial statements, and (3) proposal for allocation of surplus profit or making up losses, and submit the same for recognition at the shareholders meeting in accordance with the legal process.

Article 25

If the Company has net profit, 1% or more of the net profit shall be allocated as remuneration of employees and 1% or less as remuneration of directors; provided that if the Company has accumulated losses, the Company shall first set aside an amount for making up losses.

The distribution of employee and director remuneration shall be reported to the shareholders' meeting.

The Company may purchase its shares for transferring such treasury shares, issue employee options, provide pre-emptive right for employees' subscription upon issuing new shares, issue new restricted employee shares, and distribute employee remuneration, to those eligible employees of the Company's controlling or subordinated companies who meet certain criteria, which shall be determined and resolved by the Board of Directors.

The directors entitled to director's remuneration and relevant matters shall be handled in accordance with relevant laws and regulations and be determined by the Board of Directors.

#### Article 26

If the Company has pre-tax profit at the end of the current fiscal year, after paying all taxes and covering all accumulated losses, the Company shall set aside 10% of said earnings as legal reserve. However, legal reserve need not be made when the accumulated legal reserve equals the paid-in capital of the Company. If there is any distributable profit after aggregating the balance of the above and undistributed earnings of previous years or after aggregating the losses of the current fiscal year and undistributed earnings of previous years, special reserve shall be set aside or reversed according to laws and regulations or rules of competent authority. If there is any remaining amount, after setting aside a special reserve or retaining an amount as undistributed earnings based on business needs, and after distributing the dividends on the preferred shares with respect to the remaining amount in accordance with Article 7-1 of these Articles of Incorporation, the Board of Directors may submit a proposal for allocation of the remaining balance and the accumulated undistributed earnings to the shareholders meeting for resolution on distributing bonus and dividends to shareholders.

The Board of Directors shall be authorized to distribute the profit, the legal reserve and the capital reserve mentioned in the preceding paragraph in cash upon resolution by a majority vote at a board meeting attended by two-thirds or more of the directors, and shall report the same to the shareholders' meeting.

The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including capital and financial structure, operating status, earnings, industry characteristics and economic cycle. The dividends shall be distributed in a steady manner. Distributable earnings may be retained undistributed or distributed in cash dividend or the combination of stock dividend and cash dividend, so as to maintain sustainable management and development. With respect to distribution of dividends, in consideration of future operating scale and cash flow requirements, no less than 50% of the remaining amount of the net profit after tax of the current year, after covering the accumulative losses and setting aside the legal reserve and the special reserve, shall be distributed to shareholders as dividends, and the percentage of cash dividends to shareholders shall not be less than 10% of the total amount of dividends to shareholders. The conditions, timing, amounts and types of retained earnings and distribution of dividends may be adjusted on proper occasions based on the needs to deal with changes in economic and industrial trends and in view of the Company's future development needs and profitability.

### **VII. Supplementary Provisions**

#### Article 27

Any matters not provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

#### Article 28

All kinds of rules and operational regulations of the Company shall be otherwise made.

#### Article 29

These Articles of Incorporation were enacted on March 14, 2008.

The first amendment was made on September 1, 2008.

The second amendment was made on November 17, 2009.

The third amendment was made on June 10, 2011.

The fourth amendment was made on June 5, 2012.

The fifth amendment was made on June 10, 2015.

The sixth amendment was made on June 15, 2016.

The seventh amendment was made on June 12, 2018.

The eighth amendment was made on June 24, 2019.

The ninth amendment was made on December 6, 2019.

The tenth amendment was made on May 29, 2020.

The eleventh amendment was made on August 20, 2021.

The twelfth amendment was made on June 2, 2022.

**Nuvoton Technology Corporation**

**Chairman: Yuan-Mou Su**