



# ASC

ALLIED SUPREME CORP.

Stock Code : 4770



# Meeting Agenda Handbook

## 2023 Annual Shareholders' Meeting

**Time:** May 26, 2023 (Friday) 10a.m.

**Location:** No.300, Qingfu Road, Xianxi Township, Changhua County  
(Xianxi District, Zhangbin Industrial Park Service Center)

[www.alliedsupreme.com](http://www.alliedsupreme.com)

# Allied Supreme Corporation

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# Allied Supreme Corporation

## Procedure for the 2023 Annual Shareholders' Meeting

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The way the meeting is held: Physical meeting

Time: May 26, 2023 (Friday) 10 a.m.

Location: No.300, Qingfu Road, Xianxi Township, Changhua County [Xianxi District, Zhangbin Industrial Park Service Center]

- I. Call the Meeting to Order
- II. Opening Speech by the Chair
- III. Report Items
  - (I) 2022 Business Report
  - (II) Report on the Audit Committee's review report on the 2022 business report, financial statements and earnings distribution proposal
  - (iii) Report on the distribution of remuneration to employees and directors for 2022.
  - (IV) Report on the distribution of cash dividends for 2022.
  - (V) Amendments to the "Corporate operates with integrity Practice Principles," "Corporate Governance Practice Principles," "Procedures of the Board of Directors" of the Company
- IV. Proposal Item
  - (I) 2022 Business Report and Financial Statements
  - (II) 2022 Earnings Distribution Proposal
- V. Election Item : Co-opt of Independent Directors of the Company.
- VI. Extraordinary Motions
- VII. Adjournment

## I. Report Items

### Proposal 1

Proposal: 2022 Business Report.

Description: Please refer to pages 5 to 6 of this Handbook (Attachment 1) for the Company's business report.

### Proposal 2

Proposal: Report on the Audit Committee's review report on the 2022 business report, financial statements and earnings distribution proposal.

Description: Please refer to page 7 of this Handbook (Attachment 2) for the Company's 2022 Audit Committee's review report.

### Proposal 3

Proposal: Report on the distribution of remuneration to employees and directors for 2022.

Description:

- (1) According to the Company's Articles of Incorporation, if the Company makes any profit in the year, 5% to 10% shall be appropriated as remuneration to employees and not more than 3% as remuneration to directors.
- (2) The proposed amount of remuneration to employees is 7.05%, in the amount of NT\$160,914,009. The proposed amount of remuneration to directors is 1.56%, in the amount of NT\$35,630,959.
- (3) Both of the above remunerations to employees and directors are paid in cash.

### Proposal 4

Proposal: Report on the distribution of cash dividends for 2022.

Description:

- (1) In accordance with Article 23 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve the distribution of cash dividends and report to the shareholders' meeting.
- (2) On March 8, 2023, the Board of Directors resolved to distribute cash dividends for 2022 of NT\$12 per share, amounting to NT\$948,444,000.
- (3) Cash dividends are calculated on the basis of "rounding down to the nearest NTD" and the sum of fractional shares of less than NT\$1 is posted to the Company's other income.

## Proposal 5

Proposal: Amendments to the “Corporate operates with integrity Practice Principles,” “Corporate Governance Practice Principles,” “Procedures of the Board of Directors” of the Company.

### Description:

- (1) In order to meet the requirements of the relevant laws and regulations and the Company’s operational needs, it is proposed to amend the Company’s “Corporate operates with integrity Practice Principles.” Please refer to pages 8 of this Handbook (Attachment 3)
- (2) In order to meet the requirements of the relevant laws and regulations and the Company’s operational needs, in accordance with the “ TWSE/TPEX Listed Companies According to the letter No. 11100232451 ” require, it is proposed to amend the Company’s “Corporate Governance Practice Principles.” Please refer to pages 9 to 10 of this Handbook (Attachment 4)
- (3) In order to meet the requirements of the relevant laws and regulations and the Company’s operational needs, in accordance with the “ TWSE/TPEX Listed Companies According to the letter No. 1110015595 ” require, The proposed to amend the Company’s “Procedures of the Board of Directors.” Please refer to pages 11 to 12 of this Handbook (Attachment 5)

## II. Proposal Items

### Proposal 1

Proposal: 2022 Business Report and Financial Statements (Proposed by the Board of Directors)

### Description:

- (1) The Company’s 2022 business report and financial statements (including consolidated financial statements and standalone financial statements) were approved by the Board of Directors on March 8, 2023, and have been signed off by the Chairperson, the Managerial Officer and the Chief Accounting Officer. The above financial statements have been audited by CPAs. Chen, Wen-Hsiang and Liu, Shu-Lin from Deloitte Taiwan, who issued Certified Public Accountants and an independent auditors’ report with an unqualified opinion.
- (2) Please refer to pages 5 to 6 and pages 13 to 33 (Attachment 1 and Attachment 6) of this Handbook for the business report, the independent auditors’ report and the financial statements mentioned above.
- (3) We call for your adoption.

### Resolution:

## Proposal 2

Proposal: 2022 Earnings Distribution Proposal. (Proposed by the Board of Directors)

### Description:

- (1) The Company proposes to distribute cash dividends of NT\$12 per share for 2022. Please refer to page 34 of this Handbook (Attachment 7) for the earnings distribution table.
- (2) Cash dividends are calculated on the basis of “rounding down to the nearest NTD” and the sum of fractional shares of less than NT\$1 is posted to the Company’s other income. The Board of Directors is requested to authorize the Chairperson to determine the ex-dividend base date and payment date. If there is a subsequent change in the Company’s stock capital that affects the number of outstanding shares as well as the dividend distribution rate, the Chairperson is also authorized to handle the matter.
- (3) The distribution of earnings shall be determined on a case-by-case basis. The Company shall give priority to distribute the earnings for 2022, and if there is a shortfall, the Company shall then distribute the earnings for 1998 and subsequent years.
- (4) For your adoption.

### Resolution:

## III. Election Items

Proposal: Co-opt of Independent Directors of the Company. (Proposed by the Board of Directors)

### Description:

- (1) In order to establish a good corporate governance system, An additional independent director will be elected at the 2023 general meeting of shareholders according to law. The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system as set forth in Article 192-1 of the Company Act.
- (2) The new independent directors will take office immediately after the annual shareholders’ meeting, and for a term of from Same this to May 30, 2025.
- (3) The list of candidates for independent directors was reviewed and approved by the Board of Directors on March 8, 2023. Please refer to page 35 of this Handbook for related information (Attachment 8)
- (4) Please proceed to elect.

### Election results:

## IV. Extraordinary Motions

## V. Adjournment

## Business Report

### I. Pre-word

Thank you to all shareholders for your support and encouragement over the past year. Last year was a challenging but fruitful year for ASC. Across all regions of the world, countries are dedicated to the development of their national semiconductor industries, either to compete in advanced technology or to ensure national security. ASC has continuously strived to improve its production processes, maintain product quality, gradually increase production capacity to meet customer delivery requirements, and strengthen its competitiveness to increase market share, thereby enhancing overall operational growth.

Overall, the year 2022 has produced impressive results, with historical records high in both consolidated revenue and profits for the year. ASC's consolidated revenue for 2022 reached a new high of NT\$6.138 billion, a year-on-year increase of 60.1%. Operating profit for the year was NT\$2.132 billion, a year-on-year increase of 78.5%. After-tax net profit was NT\$1.776 billion, an increase of 83.8% from the previous year, with earnings per share of NT\$22.54.

Apart from the excellent performance achieved through expanding with existing major customers, ASC has also continued to develop new customers in various regional markets, expecting to drive a new wave of growth. Looking ahead to 2023, the ASC's management team will continue to actively face challenges, exerting all efforts for the benefit of the company's shareholders, employees, and stakeholders, striving to obtain maximum benefits. Here, we will explain the business performance of last year and the operational prospects for this year as following.

### II. Business Report

#### (I) 2022 Operation Results

##### 1. Implementation Results of Business Plan

Consolidated net operating revenue for 2022 was \$6,138,088 thousand, up \$2,304,356 thousand, or 60.1%, compared with \$3,833,732 thousand in 2021. Consolidated net profit after tax for 2022 was \$1,776,017 thousand, up \$809,720 thousand, or 83.8%, compared with \$966,297 thousand in 2021. Basic earnings per share after tax for 2022 was \$22.54.

##### 2. Budget Implementation Status

The Company did not disclose its financial forecast for 2022, therefore, there is no need to disclose the budget implementation status.

##### 3. Research and Development

In addition to the manufacturing of existing products, we also focus on the sustainable development of the Company, and believe that technology and persistence are the fundamentals of success. We continue to allocate 2-5% of our annual revenue for research and development, focusing on the following three aspects:

- (1) Continue to invest in manufacturing and the acquisition of design patents and the introduction of automated production.
- (2) Developing fluorine module products can promote a circular economy and expand the application range of products. °

(3) Reuse recycled fluorine materials to reduce the damage to the global environment.

(II) Outline of 2023 Business Plan

1. Management approaches and important policies

- (1) Accelerate the development and application of new products.
- (2) Undergo plant expansion and add equipment to meet new orders.
- (3) Improve manufacturing processes to enhance operating efficiency.
- (4) Provide training and education to staff to improve product quality.
- (5) Improve customer service to meet customer needs.

2. Business expectation and important production and sales policies

In response to our clients' international deployment, our company has strengthened its marketing strategies for overseas customers, hoping to leverage our excellent industry track record to establish mutually beneficial partnerships with our customers and develop new markets and clients.

(III) Impacts of future development strategies, external competitive environment, legal environment and overall business environment.

In response to the development of our customers' industries, adjust our two production bases in Taiwan and China in a timely manner, expand our plants and add equipment in response to customers' needs, improve our manufacturing processes to enhance efficiency and strengthen our competitive edge and aim to achieve growth in both revenue and profitability.

Our management team and talented employees will continue to strive to become a global benchmark in the processing, manufacturing and application of fluoropolymer, to differentiate ourselves from our competitors, to pursue quality growth and to overcome the impact of the external competitive environment, the legal environment and the overall business environment, and to steadily manage and control various business risks.

Finally, we would like to express our sincere gratitude to our shareholders for your support and favor and we will continue to strive to create more value for the Company and all stakeholders.

We wish you all  
Good health, peace and prosperity

Chairperson: Hou, Chia-Sheng



Allied Supreme Corporation  
Audit Committee's Review Report

The Audit Committee approved the financial statements of the Company for the year ended December 31, 2022, as resolved by the Board of Directors, and Deloitte Taiwan appointed by the Board of Directors has audited the financial statements and issued the independent auditor's report.

In addition, the Board of Directors has prepared and submitted the Company's 2022 business report and the earnings distribution proposal, which have been reviewed by the Audit Committee and found to be in conformity. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby make this report.

Please review.

To

The 2023 Annual Shareholders' Meeting of Allied Supreme Corporation

Allied Supreme Corporation

Audit Committee Convener : 王 貴 清

March 8, 2023

Allied Supreme Corporation  
 Comparison Table for the Corporate operates with integrity Practice Principles

Provisions before amendments	Provisions after amendments	Description of amendments
<p>Article 23: Whistleblowing System</p> <p>一、The Company shall establish a specific whistleblowing system, and shall implement it effectively. The system's content should at least cover the following:</p> <p>(一)Establishment and public announcement of an internal independent whistleblowing email box: accusation@alliedsupreme.com, whistleblowing hotline: extension <del>200, 534</del> of 04-7582827, and setting up a physical suggestion box</p>	<p>Article 23: Whistleblowing System</p> <p>一、The Company shall establish a specific whistleblowing system, and shall implement it effectively. The system's content should at least cover the following:</p> <p>(一)Establishment and public announcement of an internal independent whistleblowing email box: accusation@alliedsupreme.com, whistleblowing hotline: extension <u>2201, 2001</u> of 04-7582827, and setting up a physical suggestion box</p>	<p>The company's extension numbers have been changed to four digits, and the extension numbers of the whistleblowing hotline have been modified.</p>

**Allied Supreme Corporation**  
**Comparison Table for the Corporate Governance Practice Principles**

Provisions before amendments	Provisions after amendments	Description of amendments
<p>Article 3-1 (Personnel Responsible for Corporate Governance)  The Company shall allocate appropriate and adequate personnel responsible for corporate governance based on the company's size, business situation, and management needs. The Company shall also appoint a director responsible for corporate governance in accordance with the regulations of the competent authority, securities exchange, or over-the-counter market, who shall serve as the highest executive in charge of corporate governance. The director should have at least three years of experience as a lawyer, accountant, or as a manager in charge of legal compliance, internal audit, finance, stock equity, or corporate governance at a securities, financial, or futures-related institution, or a publicly traded company.</p> <p>The aforementioned responsibilities of the personnel responsible for corporate governance shall include, but not be limited to:</p> <ol style="list-style-type: none"> <li>(1) Handling matters related to meetings of the board of directors and shareholders' meetings in compliance with the law;</li> <li>(2) Preparing minutes of meetings of the board of directors and shareholders' meetings;</li> <li>(3) Assisting directors in their appointments and ongoing education;</li> <li>(4) Providing the board of directors with necessary information for business execution;</li> <li>(5) Assisting the board of directors in complying with laws and regulations;</li> <li>(6) Other matters specified in the company's articles of incorporation or contracts.</li> </ol>	<p>Article 3-1 (Personnel Responsible for Corporate Governance)  The Company shall allocate appropriate and adequate personnel responsible for corporate governance based on the company's size, business situation, and management needs. The Company shall also appoint a director responsible for corporate governance in accordance with the regulations of the competent authority, securities exchange, or over-the-counter market, who shall serve as the highest executive in charge of corporate governance. The director should have at least three years of experience as a lawyer, accountant, or as a manager in charge of legal compliance, internal audit, finance, stock equity, or corporate governance at a securities, financial, or futures-related institution, or a publicly traded company.</p> <p>The aforementioned responsibilities of the personnel responsible for corporate governance shall include, but not be limited to:</p> <ol style="list-style-type: none"> <li>(1) Handling matters related to meetings of the board of directors and shareholders' meetings in compliance with the law;</li> <li>(2) Preparing minutes of meetings of the board of directors and shareholders' meetings;</li> <li>(3) Assisting directors in their appointments and ongoing education;</li> <li>(4) Providing the board of directors with necessary information for business execution;</li> <li>(5) Assisting the board of directors in complying with laws and regulations;</li> <li>(6) <a href="#">Reporting to the board of directors on the review results of the qualifications of independent directors during the nomination, election, and term of office;</a></li> <li>(7) <a href="#">Handling matters related to changes in the board of directors;</a></li> <li>(8) Other matters specified in the company's articles of incorporation or contracts.</li> </ol>	<p>According to the letter of revision with the number 11100243661 issued by the Taiwan Certification and Governance Bureau, the sixth and seventh items are respectively added to the second paragraph of Article 3 in accordance with the amendment of the relevant regulations.</p>
<p>Article 17  If this company has business dealings with <a href="#">subsidiaries</a>, it shall establish written regulations for financial transactions based on the principles of fairness and reasonableness. The contract terms should clearly specify price conditions, payment terms, and prohibit non-standard transactions. The transactions or contract matters between this company and related parties, or their shareholders shall also be handled in accordance with the aforementioned principles and strictly prohibit interest transfers.</p>	<p>Article 17  If this company has business dealings or transactions with <a href="#">related parties or shareholders</a>, it shall establish written regulations for financial transactions based on the principles of fairness and reasonableness. The contract terms should clearly specify price conditions, payment terms, and prohibit non-standard transactions and <a href="#">improper interests transfers</a>. The transactions or contract matters between this company and related parties, or their shareholders shall also be handled in accordance with the aforementioned principles and strictly prohibit interest transfers.</p> <p><a href="#">The content of the written regulations should include management procedures for purchase and sale transactions, acquisition or disposal of assets, fund lending, and endorsement guarantees. Significant related party transactions should be approved by the Board of Directors, approved by the shareholders' meeting, or reported.</a></p>	<p>To strengthen the management of related party transactions, the company should also establish written regulations for transactions with related parties and shareholders. The scope of related parties already includes related enterprises, therefore the current second paragraph will be merged with the first paragraph, with minor textual amendments.</p> <p>A new paragraph will be added, specifying that the written regulations mentioned in the preceding paragraph should include management procedures for related transactions, and that significant transactions should be approved by the board of directors, agreed upon by the shareholders' meeting, or reported.</p>
<p>Article 29  Sections 1 to 3 are omitted.  The Company shall regularly (at least once a year) evaluate</p>	<p>Article 29  Sections 1 to 3 are omitted.  The Company shall regularly (at least once a year) <a href="#">refer to</a></p>	<p>Encourages listed and OTC companies to evaluate the need to change accounting</p>

Provisions before amendments	Provisions after amendments	Description of amendments
the independence and suitability of the appointed accountants. If the Company has not changed its accountants for seven consecutive years or there are any disposals or impairment of their independence, the necessity of changing the accountants shall be evaluated, and the evaluation result shall be reported to the Board of Directors.	the <a href="#">Audit Quality Indicators (AQIs)</a> to evaluate the independence and suitability of the appointed accountants. If the Company has not changed its accountants for seven consecutive years or there are any disposals or impairment of their independence, the necessity of changing the accountants shall be evaluated, and the evaluation result shall be reported to the Board of Directors.	firms by referring to the AQI information provided by the firm when promoting Audit Quality Indicators (AQIs).
Article 52 These Regulations were established on July 10, 2020. These Regulations were revised on March 14, 2022. These Regulations were revised on December 21, 2022.	Article 52 These Regulations were established on July 10, 2020. These Regulations were revised on March 14, 2022. These Regulations were revised on December 21, 2022. <a href="#">These Regulations were revised on March 8, 2023.</a>	Revision date of the amendment procedure

**Allied Supreme Corporation**  
**Comparison Table for the Procedures of the Board of Directors**

Provisions before amendments	Provisions after amendments	Description of amendments
<p>Article 3  The Board of Directors of the Company shall convene at least once every quarter. The convocation of the Board of Directors shall state the purpose of the meeting and notify all directors in writing at least seven days in advance, except in case of emergencies where the Board may be convened at any time.</p> <p>The aforementioned convocation notice may be made in writing, by electronic mail (E-mail) or fax with the consent of the concerned parties.</p> <p>The items listed in each subparagraph of the first paragraph of Article 12 of these Regulations shall be listed in the convocation notice, <del>except for unexpected emergency situations or legitimate reasons</del>, and shall not be proposed by ad hoc motions.</p>	<p>Article 3  The Board of Directors of the Company shall convene at least once every quarter. The convocation of the Board of Directors shall state the purpose of the meeting and notify all directors in writing at least seven days in advance, except in case of emergencies where the Board may be convened at any time.</p> <p>The aforementioned convocation notice may be made in writing, by electronic mail (E-mail), fax, or <b>other electronic means</b> with the consent of the concerned parties.</p> <p>The items listed in each subparagraph of the first paragraph of Article 12 of these Regulations shall be listed in the convocation notice and shall not be proposed by ad hoc motions.</p>	<p>Revised provisions in accordance with the letter No. 1110015595 issued by the authority of Taiwan Stock Exchange.</p>
<p>Article 12: The following matters shall be discussed by the Board of Directors of this company:</p> <ol style="list-style-type: none"> <li>(1) The operating plan of this company.</li> <li>(2) Annual financial reports and the second quarter financial reports that require certified verification by an accountant.</li> <li>(3) The establishment or amendment of the internal control system, as required by Article 14-1 of the Securities and Exchange Act, and the assessment of the effectiveness of the internal control system.</li> <li>(4) Procedures for handling significant financial transactions, such as acquiring or disposing of assets, engaging in derivative commodity trading, lending funds to others, endorsing or providing guarantees for others, as required by Article 36-1 of the Securities and Exchange Act.</li> <li>(5) The fundraising, issuance, or private placement of equity securities.</li> <li>(6) The appointment or removal of the heads of finance, accounting, or internal auditing.</li> <li>(7) Donations to related parties or significant donations to non-related parties. However, charitable donations for emergency relief in the event of a major natural disaster may be recognized at the next Board of Directors meeting.</li> <li>(8) Matters required to be resolved by the shareholder's meeting or the Board of Directors or significant matters specified by the competent authority, as required by Article 14-3 of the Securities and Exchange Act or other laws or regulations.</li> </ol> <p>In the preceding paragraph, related parties refer to those regulated by the financial report preparation criteria of the securities issuer. Significant donations to non-related parties refer to donations to the same recipient that exceed NT\$100 million or that account for more than 1% of the net revenue or 5% of the paid-in capital of the most recent year as verified by an accountant in the financial report.</p> <p>The "within one year" referred to in the preceding paragraph shall be calculated based on the date of the convening of this Board of Directors meeting and shall be calculated backward for one year. The portion of the Board of Directors resolutions already passed need not be re-counted.</p> <p>When this company has independent directors, at least one independent director shall personally attend the Board of Directors meeting. For the matters to be discussed as stated in the first paragraph, all independent directors shall attend the Board of Directors meeting. If an independent director is unable to attend in person, another independent director</p>	<p>Article 12: The following matters shall be discussed by the Board of Directors of this company:</p> <ol style="list-style-type: none"> <li>(1) The operating plan of this company.</li> <li>(2) Annual financial reports and the second quarter financial reports that require certified verification by an accountant.</li> <li>(3) The establishment or amendment of the internal control system, as required by Article 14-1 of the Securities and Exchange Act, and the assessment of the effectiveness of the internal control system.</li> <li>(4) Procedures for handling significant financial transactions, such as acquiring or disposing of assets, engaging in derivative commodity trading, lending funds to others, endorsing or providing guarantees for others, as required by Article 36-1 of the Securities and Exchange Act.</li> <li>(5) The fundraising, issuance, or private placement of equity securities.</li> <li>(6) <b>The appointment or removal of the Chairman of the Board of Directors when no executive director has been appointed.</b></li> <li>(7) The appointment or removal of the heads of finance, accounting, or internal auditing.</li> <li>(8) Donations to related parties or significant donations to non-related parties. However, charitable donations for emergency relief in the event of a major natural disaster may be recognized at the next Board of Directors meeting.</li> <li>(9) Matters required to be resolved by the shareholder's meeting or the Board of Directors or significant matters specified by the competent authority, as required by Article 14-3 of the Securities and Exchange Act or other laws or regulations.</li> </ol> <p>In the preceding paragraph, related parties refer to those regulated by the financial report preparation criteria of the securities issuer. Significant donations to non-related parties refer to donations to the same recipient that exceed NT\$100 million or that account for more than 1% of the net revenue or 5% of the paid-in capital of the most recent year as verified by an accountant in the financial report.</p> <p>The "within one year" referred to in the preceding paragraph shall be calculated based on the date of the convening of this Board of Directors meeting and shall be calculated backward for one year. The portion of the Board of Directors resolutions already passed need not be re-counted.</p> <p>When this company has independent directors, at least one independent director shall personally attend the Board of Directors meeting. For the matters to be discussed as stated</p>	<p>According to the revision letter with reference NO. 1110015595 from the competent authority, the article is amended by adding a sixth item, and the original sixth item is subsequently numbered as seventh and onwards.</p>

Provisions before amendments	Provisions after amendments	Description of amendments
<p>shall act as a proxy. If an independent director has objections or reservations, it shall be recorded in the minutes of the Board of Directors meeting. If an independent director cannot attend the Board of Directors meeting to express objections or reservations, except for legitimate reasons, he or she shall provide written opinions in advance and record them in the minutes of the Board of Directors meeting.</p>	<p>in the first paragraph, all independent directors shall attend the Board of Directors meeting. If an independent director is unable to attend in person, another independent director shall act as a proxy. If an independent director has objections or reservations, it shall be recorded in the minutes of the Board of Directors meeting. If an independent director cannot attend the Board of Directors meeting to express objections or reservations, except for legitimate reasons, he or she shall provide written opinions in advance and record them in the minutes of the Board of Directors meeting.</p>	
<p>Article 18 If this company sets up an executive director, the rules for the executive director's meetings shall apply to Article 2, Article 3 paragraph 2, Articles 4 to 6, Articles 8 to 11, Articles 13 to <del>16</del>. However, if the executive director's meeting is scheduled within seven days, each executive director may be notified two days in advance.</p>	<p>Article 18 If this company sets up an executive director, the rules for the executive director's meetings shall apply to Article 2, Article 3 paragraph 2, Articles 4 to 6, Articles 8 to 11, Articles 13 to <a href="#">the preceding article</a>; <a href="#">the rules for the selection or removal of the chairman of the board shall apply to Article 3, paragraph 4</a>. However, if the executive director's meeting is scheduled within seven days, each executive director may be notified two days in advance.</p>	<p>Revised provisions in accordance with the letter No. 1110015595 issued by the authority of Taiwan Stock Exchange.</p>
<p>Article 20 These Regulations were established on Mar 6, 2019. These Regulations were revised on July 10, 2020.</p>	<p>Article 20 These Regulations were established on Mar 6, 2019. These Regulations were revised on July 10, 2020. <a href="#">These Regulations were revised on December 21, 2022.</a></p>	<p>Revision date of the amendment procedure</p>

**DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as of and for the years ended December 31, 2022, as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

ALLIED SUPREME CORP.

By

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March 8, 2023

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Allied Supreme Corp.

### **Opinion**

We have audited the accompanying consolidated financial statements of Allied Supreme Corp. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

#### Occurrence of Operating Revenues from Specific Customers

For the year ended December 31, 2022, revenue amounted to \$6,138,088 thousand. Since auditing standards presume that there is significant risk in the audit of revenue and the amount of sales revenue from specific customers increased significantly compared with the previous year, we identified sales revenue from specific customers as the key audit matter for the year ended December 31, 2022.



For other relevant disclosures, refer to Notes 4, 22 and 34.

We performed the audit procedures regarding the key audit matter as follows:

1. We understood the design of internal controls for the revenue recognition and tested the effectiveness of the implementation of the relevant controls.
2. We understood the background of the specific customers, verified the approval of credit line and limit, and assessed the reasonableness of transaction terms compared to regular customers.
3. We selected samples and verified the sales transactions against the supporting documents and the collected payment.
4. We assessed the reasonableness of the returns and discounts in the subsequent period.
5. We assessed the reasonableness of simultaneous purchase and sales transactions related to the specific customers.

#### **Other Matter**

We have also audited the parent company only financial statements of Allied Supreme Corp. as of and for the years ended December 31, 2022 and 2021 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2023

Notice to Readers

*The accompanying 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 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 financial statements shall prevail.*

**ALLIED SUPREME CORP. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4, 6 and 28)	\$ 3,365,150	35	\$ 3,720,403	46
Financial assets at amortized cost - current (Notes 4, 8 and 28)	-	-	55,360	1
Notes receivable (Notes 4, 9, 22 and 28)	268,399	3	207,190	2
Trade receivables (Notes 4, 9, 22 and 28)	1,465,443	15	822,136	10
Other receivables (Notes 4, 9 and 28)	3,053	-	1,663	-
Current tax assets (Notes 4 and 24)	74	-	66	-
Inventories (Notes 4 and 10)	2,037,463	22	1,380,310	17
Other current financial assets (Notes 4, 15, 28 and 30)	403,237	4	290,595	3
Other current assets (Note 15)	124,155	1	136,275	2
Total current assets	<u>7,666,974</u>	<u>80</u>	<u>6,613,998</u>	<u>81</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 28)	4,715	-	4,266	-
Property, plant and equipment (Notes 4, 12 and 30)	1,705,680	18	1,428,231	18
Right-of-use assets (Notes 4 and 13)	74,567	1	57,379	1
Other intangible assets (Notes 4 and 14)	7,101	-	6,480	-
Deferred tax assets (Notes 4 and 24)	42,210	1	27,238	-
Other non-current assets (Notes 4 and 15)	27,609	-	14,457	-
Total non-current assets	<u>1,861,882</u>	<u>20</u>	<u>1,538,051</u>	<u>19</u>
<b>TOTAL</b>	<u>\$ 9,528,856</u>	<u>100</u>	<u>\$ 8,152,049</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 16, 28 and 30)	\$ -	-	\$ 50,000	1
Notes payable (Notes 17 and 28)	-	-	6,615	-
Trade payables (Notes 17 and 28)	552,050	6	470,426	6
Other payables (Notes 18 and 28)	542,792	6	387,592	5
Current tax liabilities (Notes 4 and 24)	289,301	3	195,970	2
Provisions - current (Notes 4 and 19)	36,497	-	7,663	-
Lease liabilities - current (Notes 4 and 13)	9,912	-	2,697	-
Contract liabilities (Notes 4 and 22)	849,341	9	859,500	10
Current portion of long-term borrowings (Notes 16, 28 and 30)	41,667	-	-	-
Other current liabilities (Note 18)	3,836	-	1,720	-
Total current liabilities	<u>2,325,396</u>	<u>24</u>	<u>1,982,183</u>	<u>24</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 16, 28 and 30)	371,038	4	540,705	7
Non-current tax liabilities (Notes 4 and 24)	87,707	1	88,585	1
Lease liabilities - non-current (Notes 4 and 13)	11,727	-	1,020	-
Net defined benefit liabilities - non-current (Notes 4, 19 and 20)	2,702	-	2,798	-
Other non-current liabilities (Notes 18 and 28)	69	-	18	-
Total non-current liabilities	<u>473,243</u>	<u>5</u>	<u>633,126</u>	<u>8</u>
Total liabilities	<u>2,798,639</u>	<u>29</u>	<u>2,615,309</u>	<u>32</u>
<b>EQUITY (Notes 4 and 21)</b>				
Share capital				
Ordinary shares	790,280	8	785,450	10
Capital surplus				
Share premium	2,021,516	21	2,001,648	25
Employee share options	534	-	2,817	-
Retained earnings				
Legal reserve	571,635	6	475,621	6
Special reserve	45,229	1	35,622	-
Unappropriated earnings	3,322,157	35	2,280,811	28
Other equity				
Exchange differences on translating foreign operations	(21,134)	-	(45,229)	(1)
Total equity	<u>6,730,217</u>	<u>71</u>	<u>5,536,740</u>	<u>68</u>
<b>TOTAL</b>	<u>\$ 9,528,856</u>	<u>100</u>	<u>\$ 8,152,049</u>	<u>100</u>

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

## ALLIED SUPREME CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 22)	\$ 6,138,088	100	\$ 3,833,732	100
OPERATING COSTS (Notes 4, 10 and 23)	<u>3,372,749</u>	<u>55</u>	<u>2,176,863</u>	<u>57</u>
GROSS PROFIT	<u>2,765,339</u>	<u>45</u>	<u>1,656,869</u>	<u>43</u>
OPERATING EXPENSES (Notes 4, 23 and 29)				
Selling and marketing expenses	253,504	4	186,228	5
General and administrative expenses	227,060	4	171,497	4
Research and development expenses	158,268	2	106,928	3
Expected credit loss reversal	<u>(5,698)</u>	<u>-</u>	<u>(1,982)</u>	<u>-</u>
Total operating expenses	<u>633,134</u>	<u>10</u>	<u>462,671</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>2,132,205</u>	<u>35</u>	<u>1,194,198</u>	<u>31</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 23)				
Interest income	30,629	1	15,419	1
Other income	7,589	-	4,924	-
Other gains and losses	15,040	-	(23,999)	(1)
Finance costs	<u>(3,747)</u>	<u>-</u>	<u>(2,512)</u>	<u>-</u>
Total non-operating income and expenses	<u>49,511</u>	<u>1</u>	<u>(6,168)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,181,716	36	1,188,030	31
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(405,699)</u>	<u>(7)</u>	<u>(221,733)</u>	<u>(6)</u>
NET PROFIT FOR THE YEAR	<u>1,776,017</u>	<u>29</u>	<u>966,297</u>	<u>25</u>
OTHER COMPREHENSIVE INCOME (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(862)	-	(7,696)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>172</u>	<u>-</u>	<u>1,539</u>	<u>-</u>
	<u>(690)</u>	<u>-</u>	<u>(6,157)</u>	<u>-</u>

(Continued)

## ALLIED SUPREME CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>\$ 24,095</u>	<u>-</u>	<u>\$ (9,607)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>23,405</u>	<u>-</u>	<u>(15,764)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,799,422</u>	<u>29</u>	<u>\$ 950,533</u>	<u>25</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 22.54</u>		<u>\$ 13.94</u>	
Diluted	<u>\$ 22.16</u>		<u>\$ 13.66</u>	

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

**ALLIED SUPREME CORP. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	Share Capital				Retained Earnings			Other Equity	Total Equity
	Ordinary Shares (In Thousands of Shares)	Amount	Capital Surplus		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	
			Share Premium	Employee Share Options					
BALANCE AT JANUARY 1, 2021	68,800	\$ 688,000	\$ 72,824	\$ 2,220	\$ 422,228	\$ -	\$ 1,705,526	\$ (35,622)	\$ 2,855,176
Appropriation of 2020 earnings									
Legal reserve	-	-	-	-	53,393	-	(53,393)	-	-
Special reserve	-	-	-	-	-	35,622	(35,622)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(295,840)	-	(295,840)
Issuance of ordinary shares for cash	9,240	92,400	1,902,677	-	-	-	-	-	1,995,077
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	966,297	-	966,297
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	(6,157)	(9,607)	(15,764)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	960,140	(9,607)	950,533
Share-based payment transactions (Note 26)	-	-	-	5,685	-	-	-	-	5,685
Issuance of ordinary shares under employee share options	505	5,050	26,147	(5,088)	-	-	-	-	26,109
BALANCE AT DECEMBER 31, 2021	78,545	785,450	2,001,648	2,817	475,621	35,622	2,280,811	(45,229)	5,536,740
Appropriation of 2021 earnings									
Legal reserve	-	-	-	-	96,014	-	(96,014)	-	-
Special reserve	-	-	-	-	-	9,607	(9,607)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(628,360)	-	(628,360)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	1,776,017	-	1,776,017
Other comprehensive (loss) income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	(690)	24,095	23,405
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	1,775,327	24,095	1,799,422
Share-based payment transactions (Note 26)	-	-	-	1,309	-	-	-	-	1,309
Issuance of ordinary shares under employee share options	483	4,830	19,868	(3,592)	-	-	-	-	21,106
BALANCE AT DECEMBER 31, 2022	79,028	\$ 790,280	\$ 2,021,516	\$ 534	\$ 571,635	\$ 45,229	\$ 3,322,157	\$ (21,134)	\$ 6,730,217

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

## ALLIED SUPREME CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,181,716	\$ 1,188,030
Adjustments for:		
Depreciation expenses	112,421	91,971
Amortization expenses	5,782	6,388
Expected credit loss reversed on trade receivables	(5,698)	(1,982)
Net (gain)/loss on fair value changes of financial liabilities at fair value through profit or loss	(449)	100
Finance costs	3,747	2,512
Interest income	(30,629)	(15,419)
Compensation costs of employees share-based payments	1,309	5,685
Loss on disposal of property, plant and equipment	135	9,527
Reversal of write-down of inventories	(409)	(11,316)
Net loss/(gain) on foreign currency exchange	27,538	(6,914)
Recognition of provisions	28,775	1,566
Changes in operating assets and liabilities		
Notes receivable	(61,209)	(27,757)
Trade receivables	(662,038)	(89,364)
Other receivables	15	13,584
Inventories	(658,119)	(509,160)
Other current assets	12,120	(98,165)
Other non-current assets	(7,605)	10,828
Notes payable	(6,615)	6,615
Trade payables	91,017	192,102
Other payables	155,113	146,037
Contract liabilities	(10,159)	687,388
Other current liabilities	2,116	144
Net defined benefit liabilities	(958)	(4,260)
Cash generated from operations	1,177,916	1,598,140
Interest received	29,224	15,193
Interest paid	(3,660)	(2,698)
Income tax paid	(328,054)	(126,767)
Net cash generated from operating activities	<u>875,426</u>	<u>1,483,868</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at amortized cost	55,360	82,261
Purchase of financial assets at fair value through profit or loss	-	(296,072)
Proceeds from disposal of financial assets at fair value through profit or loss	-	389,683
Payments for property, plant and equipment	(382,847)	(428,238)
Proceeds from disposal of property, plant and equipment	3,267	1,281
Increase in refundable deposits	(11,584)	(3,423)
Payments for intangible assets	(6,352)	(3,784)

(Continued)



## ALLIED SUPREME CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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	2022	2021
(Increase) decrease in other financial assets	\$ (112,642)	\$ 350,595
(Increase) decrease in prepayments for equipment	<u>(1,653)</u>	<u>15,498</u>
Net cash (used in) generated from investing activities	<u>(456,451)</u>	<u>107,801</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of short-term borrowings	(50,000)	(534,000)
Proceeds from long-term borrowings	-	137,705
Repayment of long-term loans	(128,000)	-
Proceeds from issuance of ordinary shares	-	1,995,077
Employee share options exercised	21,106	26,109
Payment for principal portion of lease liabilities	(5,553)	(2,613)
Proceeds from guarantee deposits received	51	14
Dividends paid to owners of the Company	<u>(628,360)</u>	<u>(295,840)</u>
Net cash (used in) generated from financing activities	<u>(790,756)</u>	<u>1,326,452</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>16,528</u>	<u>(2,965)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(355,253)	2,915,156
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,720,403</u>	<u>805,247</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,365,150</u>	<u>\$ 3,720,403</u>

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

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Allied Supreme Corp.

### **Opinion**

We have audited the accompanying parent company only financial statements of Allied Supreme Corp. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits of the parent company only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the parent company only financial statements for the year ended December 31, 2022 is described as follows:

Occurrence of operating revenues from specific customers

For the year ended December 31, 2022, revenues amounted to \$4,484,203 thousand. Since auditing standards presume that there is significant risk in the audit of revenue and the amount of sales revenue from specific customers increased significantly compared with the previous year, we identified sales revenue from specific customers as the key audit matter for the year ended December 31, 2022.

For the accounting policy on revenue recognition and other relevant disclosures, refer to Notes 4 and 22.

We performed the audit procedures regarding the key audit matter as follows:

1. We understood the design of internal controls for the revenue recognition and tested the effectiveness of the implementation of the relevant controls.
2. We understood the background of the specific customers, verified the approval of credit line and limit, and assessed the reasonableness of transaction terms compared to regular customers.
3. We selected samples and verified the sales transactions against the supporting documents and the collected payment.
4. We assessed the reasonableness of the returns and discounts in the subsequent period.
5. We assessed the reasonableness of simultaneous purchase and sales transactions related to the specific customers.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Hsiang Chen and Shu-Lin Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2023

Notice to Readers

*The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.*

**ALLIED SUPREME CORP.**
**BALANCE SHEETS**
**DECEMBER 31, 2022 AND 2021**
**(In Thousands of New Taiwan Dollars)**

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4, 6 and 28)	\$ 2,504,718	28	\$ 2,829,396	37
Financial assets at amortized cost - current (Notes 4, 8 and 28)	-	-	55,360	1
Notes receivable (Notes 4, 9, 22 and 28)	13,288	-	50,308	1
Trade receivables from unrelated parties (Notes 4, 9, 22 and 28)	883,632	10	394,055	5
Trade receivables from related parties (Notes 4, 9, 22, 28 and 29)	140,843	2	156,273	2
Other receivables (Notes 4, 9, 28 and 29)	5,276	-	1,604	-
Inventories (Notes 4 and 10)	1,382,521	16	1,029,612	13
Other financial assets - current (Notes 4, 15, 28 and 30)	365,963	4	282,360	4
Other current assets (Note 15)	88,253	1	99,216	1
Total current assets	5,384,494	61	4,898,184	64
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss non-current (Notes 4, 7 and 28)	4,715	-	4,266	-
Investments accounted for using the equity method (Notes 4, 11 and 29)	2,142,242	24	1,586,541	21
Property, plant and equipment (Notes 4, 12 and 30)	1,259,792	14	1,165,582	15
Right-of-use assets (Notes 4 and 13)	21,155	-	2,823	-
Intangible assets (Notes 4 and 14)	2,280	-	2,830	-
Deferred tax assets (Notes 4 and 24)	42,210	1	27,238	-
Other non-current assets (Notes 4 and 15)	13,072	-	4,796	-
Total non-current assets	3,485,466	39	2,794,076	36
<b>TOTAL</b>	<b>\$ 8,869,960</b>	<b>100</b>	<b>\$ 7,692,260</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 16, 28 and 30)	\$ -	-	\$ 50,000	1
Notes payable (Notes 17 and 28)	-	-	6,615	-
Trade payables to unrelated parties (Notes 17 and 28)	430,271	5	364,231	5
Trade payables to related parties (Notes 17, 28 and 29)	492	-	18,376	-
Other payables (Notes 18 and 28)	340,383	4	268,193	4
Current tax liabilities (Notes 4 and 24)	262,939	3	162,687	2
Provisions - current (Notes 4 and 19)	34,061	-	3,987	-
Lease liabilities - current (Notes 4 and 13)	9,456	-	2,266	-
Contract liabilities (Notes 4 and 22)	543,554	6	644,896	8
Current portion of long-term borrowings (Notes 16, 28 and 30)	41,667	1	-	-
Other current liabilities (Note 18)	3,677	-	1,593	-
Total current liabilities	1,666,500	19	1,522,844	20
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 16, 28 and 30)	371,038	4	540,705	7
Deferred tax liabilities (Notes 4 and 24)	87,707	1	88,585	1
Lease liabilities - non-current (Notes 4 and 13)	11,727	-	570	-
Net defined benefit liabilities - non-current (Notes 4, 19 and 20)	2,702	-	2,798	-
Other non-current liabilities (Notes 18 and 28)	69	-	18	-
Total non-current liabilities	473,243	5	632,676	8
Total liabilities	2,139,743	24	2,155,520	28
<b>EQUITY (Notes 4 and 21)</b>				
Share capital				
Ordinary shares	790,280	9	785,450	10
Capital surplus				
Share premium	2,021,516	23	2,001,648	26
Employee share options	534	-	2,817	-
Retained earnings				
Legal reserve	571,635	6	475,621	6
Special reserve	45,229	1	35,622	-
Unappropriated earnings	3,322,157	37	2,280,811	30
Other equity				
Exchange differences on translating foreign operations	(21,134)	-	(45,229)	-
Total equity	6,730,217	76	5,536,740	72
<b>TOTAL</b>	<b>\$ 8,869,960</b>	<b>100</b>	<b>\$ 7,692,260</b>	<b>100</b>

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

## ALLIED SUPREME CORP.

### STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)	\$ 4,484,203	100	\$ 2,574,412	100
OPERATING COSTS (Notes 4, 10, 23 and 29)	<u>2,606,695</u>	<u>58</u>	<u>1,532,259</u>	<u>59</u>
GROSS PROFIT	1,877,508	42	1,042,153	41
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(121,223)	(3)	(50,745)	(2)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>50,745</u>	<u>1</u>	<u>35,251</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>1,807,030</u>	<u>40</u>	<u>1,026,659</u>	<u>40</u>
OPERATING EXPENSES (Notes 4, 23, 26 and 29)				
Selling and marketing expenses	152,475	3	111,320	4
General and administrative expenses	172,292	4	119,415	5
Research and development expenses	51,808	1	42,597	2
Expected credit (reversal) loss	<u>(11,708)</u>	<u>-</u>	<u>11,889</u>	<u>-</u>
Total operating expenses	<u>364,867</u>	<u>8</u>	<u>285,221</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>1,442,163</u>	<u>32</u>	<u>741,438</u>	<u>29</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 23)				
Interest revenue	24,658	1	10,842	-
Other income	4,262	-	4,553	-
Other gains and losses	18,097	-	(22,475)	(1)
Finance costs	(3,719)	-	(2,467)	-
Share of profit of subsidiaries	<u>601,919</u>	<u>14</u>	<u>381,042</u>	<u>15</u>
Total non-operating income and expenses	<u>645,217</u>	<u>15</u>	<u>371,495</u>	<u>14</u>
PROFIT BEFORE INCOME TAX	2,087,380	47	1,112,933	43
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(311,363)</u>	<u>(7)</u>	<u>(146,636)</u>	<u>(5)</u>
NET PROFIT	<u>1,776,017</u>	<u>40</u>	<u>966,297</u>	<u>38</u>

(Continued)

## ALLIED SUPREME CORP.

### STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ (862)	-	\$ (7,696)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>172</u>	<u>-</u>	<u>1,539</u>	<u>-</u>
	(690)	-	(6,157)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>24,095</u>	<u>-</u>	<u>(9,607)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>23,405</u>	<u>-</u>	<u>(15,764)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,799,422</u>	<u>40</u>	<u>\$ 950,533</u>	<u>37</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 22.54</u>		<u>\$ 13.94</u>	
Diluted	<u>\$ 22.16</u>		<u>\$ 13.66</u>	

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

(Concluded)



**ALLIED SUPREME CORP.**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	Share Capital		Capital Surplus		Retained Earnings			Other Equity	Total Equity
	Ordinary Shares (In Thousands of Shares)	Amount	Share Premium	Employee Share Options	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	
BALANCE AT JANUARY 1, 2021	68,800	\$ 688,000	\$ 72,824	\$ 2,220	\$ 422,228	\$ -	\$ 1,705,526	\$ (35,622)	\$ 2,855,176
Appropriation of 2020 earnings									
Legal reserve	-	-	-	-	53,393	-	(53,393)	-	-
Special reserve	-	-	-	-	-	35,622	(35,622)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(295,840)	-	(295,840)
Issuance of ordinary shares for cash	9,240	92,400	1,902,677	-	-	-	-	-	1,995,077
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	966,297	-	966,297
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	(6,157)	(9,607)	(15,764)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	960,140	(9,607)	950,533
Share-based payment transaction (Note 26)	-	-	-	5,685	-	-	-	-	5,685
Issuance of ordinary shares under employee share options	505	5,050	26,147	(5,088)	-	-	-	-	26,109
BALANCE AT DECEMBER 31, 2021	78,545	785,450	2,001,648	2,817	475,621	35,622	2,280,811	(45,229)	5,536,740
Appropriation of 2021 earnings									
Legal reserve	-	-	-	-	96,014	-	(96,014)	-	-
Special reserve	-	-	-	-	-	9,607	(9,607)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(628,360)	-	(628,360)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	1,776,017	-	1,776,017
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	(690)	24,095	23,405
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	1,775,327	24,095	1,799,422
Share-based payment transaction (Note 26)	-	-	-	1,309	-	-	-	-	1,309
Issuance of ordinary shares under employee share options	483	4,830	19,868	(3,592)	-	-	-	-	21,106
BALANCE AT DECEMBER 31, 2022	79,028	\$ 790,280	\$ 2,021,516	\$ 534	\$ 571,635	\$ 45,229	\$ 3,322,157	\$ (21,134)	\$ 6,730,217

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

## ALLIED SUPREME CORP.

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,087,380	\$ 1,112,933
Adjustments for:		
Depreciation expense	80,869	48,145
Amortization expense	3,088	3,750
Expected credit (reversed) loss on trade receivables	(11,708)	11,889
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(449)	100
Finance costs	3,719	2,467
Interest income	(24,658)	(10,842)
Compensation costs of employee share-based payments	1,309	5,685
(Gain) loss on disposal of property, plant and equipment	(335)	8,857
Share on profit of subsidiaries	(601,919)	(381,042)
Reversal of write-down of inventories	(7,585)	(7,515)
Unrealized gain on transactions with subsidiaries	121,223	50,745
Realized gain on transactions with subsidiaries	(50,745)	(35,251)
Net (gain) loss on foreign currency exchange	(37,432)	9,093
Recognition of provisions	30,074	(624)
Changes in operating assets and liabilities		
Notes receivable	37,020	(30,406)
Trade receivables from unrelated parties	(509,853)	(128,929)
Trade receivables from related parties	15,430	(22,112)
Other receivables	(97)	11,597
Inventories	(345,324)	(420,961)
Other current assets	10,963	(72,235)
Notes payable	(6,615)	6,615
Trade payables to unrelated parties	75,430	164,112
Trade payables to related parties	(17,881)	13,918
Other payables	72,232	135,034
Contract liabilities	(101,342)	601,933
Other current liabilities	2,084	124
Net defined benefit liabilities	(958)	(4,260)
Cash generated from operations	823,920	1,072,820
Interest received	23,253	10,616
Interest paid	(3,761)	(2,554)
Income tax paid	(226,789)	(62,926)
Net cash generated from operating activities	<u>616,623</u>	<u>1,017,956</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at amortized cost	55,360	82,261
Payments for property, plant and equipment	(172,883)	(397,346)
Proceeds from disposal of property, plant and equipment	3,267	1,203
Increase in refundable deposits	(9,755)	(755)
Increase in other receivables from related parties	(2,170)	-

(Continued)

## ALLIED SUPREME CORP.

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in other receivables from related parties	\$ -	\$ 8,762
Payments for intangible assets	(2,538)	(2,554)
Increase in other financial assets	(83,603)	-
Decrease in other financial assets	-	348,135
Decrease in prepayments for equipment	<u>1,479</u>	<u>16,230</u>
Net cash (used in) generated from investing activities	<u>(210,843)</u>	<u>55,936</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(50,000)	(534,000)
Proceeds from long-term borrowings	-	137,705
Payment for long-term borrowings	(128,000)	-
Proceeds from guarantee deposits received	51	14
Payment for the principal portion of lease liabilities	(5,113)	(1,773)
Proceeds from issuance of ordinary shares	-	1,995,077
Employee share options exercised	21,106	26,109
Dividends paid to owners of the Company	<u>(628,360)</u>	<u>(295,840)</u>
Net cash (used in) generated from financing activities	<u>(790,316)</u>	<u>1,327,292</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>59,858</u>	<u>(16,083)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(324,678)	2,385,101
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,829,396</u>	<u>444,295</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,504,718</u>	<u>\$ 2,829,396</u>

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

(Concluded)

Allied Supreme Corporation  
Earnings Distribution Table  
2022

Unit: NTD

Item	Amount
Undistributed earnings at the beginning of the period	1,546,829,756
Add: Net profit after tax for the year	1,776,016,981
Less: Defined benefit plan	689,305
Less: Provision of 10% for legal reserve (2022)	177,532,767
Add: Provision for special reserve	24,094,519
Accumulated available-for-distribution earnings	3,168,719,184
Distribution items:	
Cash dividends for common stock (\$12 per share)(Note 1)	948,444,000
Undistributed earnings at the end of the period	2,220,275,184

(Note 1) In accordance with the Company's Articles of Incorporation, the proposal was approved by the Board of Directors and is reported at this shareholders' meeting. Please refer to Proposal 4 of Company Reports.

Chairperson: Hou, Chia-Sheng    Managerial Officer: Hou, Chia-Sheng    Accounting Officer: Liu, Yen-Chih

Attachment 8

Information on the List of Candidates for Independent Directors

Candidate Category	Name	Academic qualification	Experience	Current job	Number of shares held
Independent Director	Chen, Yun-Chang	National Cheng Kung University Department of Chemical Engineering	Chairperson of The Chemours(Taiwan) Company Limited President of Technology Greater China The Chemours Chemical (Shanghai) Co., Ltd.	None	0 share

Allied Supreme Corporation

**Articles of Incorporation**

**Chapter 1 General Principles**

- Article 1 The Company shall be organized under the provisions of the Company Act and shall be known as ALLIED SUPREME CORP.
- Article 2 The business of the Company shall be as follows:
- I. Coating treatment of various metal and non-metal surface, and special surface treatment of various machinery and parts.
  - II. Trading of finished and semi-finished products such as fluoropolymer raw materials, round bars and flat plates.
  - III. Design, manufacturing and trading of industrial conveyor belts made of fluoropolymer.
  - IV. Design, manufacturing and trading of fluoropolymer lining for the heat exchanger of chemical industry engineering and pollution prevention machinery and equipment, tank, pipes and coils
  - V. Import and export of the preceding products.
  - VI. C805010 Plastic Sheets, Pipes and Tubes Manufacturing
  - VII. C805020 Plastic Sheets & Bags Manufacturing
  - VIII. C805050 Industrial Plastic Products Manufacturing
  - IX. CB01010 Mechanical Equipment Manufacturing
  - X. CB01030 Pollution Controlling Equipment Manufacturing
  - XI. CC01080 Electronics Components Manufacturing
  - XII. E604010 Machinery Installation
- Article 2-1 The Company may provide endorsement and guarantee to external parties.
- Article 2-2 If the Company invests in other businesses for business purposes, the Company shall not be subject to the restriction that the total amount of investment shall not exceed 40% of the Company's stock capital under Article 13 of the Company Act.
- Article 3 The Company shall have its head office in Taipei City and may establish branch offices in or outside of Taiwan if necessary by resolution of the Board of Directors.
- Article 4 Notifications and announcements of the Company shall be made in accordance with the Company Act and the regulations of the competent securities authorities.

**Chapter 2 Shares**

- Article 5 The total authorized capital of the Company shall be set at NT\$1,680 million, divided into 168 million shares of NT\$10 each, to be issued in installments; unissued shares shall be authorized to be issued by the Board of Directors in installments. Of the aforementioned total capital, \$50.4 million, divided into 5.04 million shares, is reserved for employee stock options.

If the Company intends to issue employee stock options at a price that is not subject to the provisions of Article 53 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the stock options shall be issued with the consent of at least two-thirds of the shareholders present and presence of shareholders representing more than half of the total number of issued shares, and may be issued and reported in installments within one year from the date of the resolution at the shareholders' meeting.

Article 6 The Company shall acquire shares for transfer to employees in accordance with the Company Act and the regulations of the competent securities authorities and the recipients of such transfers include employees of controlling or subordinate companies who meet certain criteria, which are defined by the Board of Directors.

The Company shall issue employee stock options in accordance with the Company Act and the regulations of the competent securities authorities, and the recipients of such issuances include employees of controlling or subordinate companies who meet certain criteria, which are defined by the Board of Directors.

When issuing new shares in accordance with the Company Act and the regulations of the competent securities authorities, the Company shall reserve a number of shares to be subscribed by the employees of the Company, and the employees for such subscriptions include employees of controlling or subordinate companies who meet certain criteria, which are defined by the Board of Directors.

If the Company issues employee stock options at a price lower than the average price of the shares actually repurchased or at a price lower than the market price, the approval of the shareholders' meeting shall be requested with the presence of the shareholders representing more than half of the total number of issued shares and the consent of two-thirds of the shareholders present.

The Company shall issue employee restricted stocks in accordance with the Company Act and the regulations of the competent securities authorities and the recipients of such issuances include employees of controlling or subordinate companies who meet certain criteria, which are defined by the Board of Directors.

If the Company intends to discontinue the public offering, it can do so only by the resolution of the shareholders' meeting, and this provision will not be changed when the Company is listed on the emerging market, TWSE or TPEX.

Article 7 The shares of the Company shall be issued in registered form with the signatures or seals of the directors representing the Company, and shall be issued after certification in accordance with the law. The Company may be exempted from the printing hard copies of the stock certificates but has to register with the central depository of securities.

Article 8 Changes in shareholder roster shall not be made within 60 days prior to a general shareholders' meeting, 30 days before convening an extraordinary shareholders' meeting, or 5 days prior to the record date of the Company's distribution of dividends, bonuses or other benefits.

### **Chapter Shareholders' Meeting**

Article 9 There are two types of shareholders' meetings: annual and special. Annual meetings are held once a year and are convened by the Board of Directors in accordance with the laws within six months after the end of the fiscal year.

Article 9-1 The Company's shareholders' meeting may be held by video means or other methods promulgated by the central competent authorities.

- Article 10 If a shareholder is unable to attend a shareholders' meeting for any reason, he or she may appoint a proxy to attend the meeting by presenting a proxy form issued by the Company with the signature or seal of the shareholder and the scope of authorization
- Article 11 The shareholders of the Company shall have one voting right per share unless otherwise provided by law.
- Article 12 Unless otherwise required by laws and regulations, resolutions in a shareholder meeting should be made with the presence of shareholders representing a majority of the total number of outstanding shares and with the consent of a majority of the shareholders' voting rights present. The Company shall include electronic means as one of the methods for the exercise of voting rights after the listing of the Company, and the method of exercise shall be specified in the notice of shareholders' meeting.

#### **Chapter 4 Directors and Audit Committee**

- Article 13 The Company shall have 7 to 11 directors for a term of 3 years. The directors shall be elected by the shareholders' meeting from a list of candidates through a candidate nomination system. and shall be eligible for re-election.  
The above-mentioned number of directors shall include independent directors. The number of independent directors shall be no less than three and no less than one-fifth of the number of directorships, and shall be elected by the shareholders from the list of independent director candidates through the candidate nomination system. The professional qualifications, shareholdings, restrictions on concurrent employment, nominations and other matters to be followed for independent directors shall be in accordance with the regulations of the competent securities authorities.
- Article 14 The Board of Directors shall be organized by directors, and the Chairperson of the Board shall be elected by and from among two-thirds of the directors present with the approval of a majority of the directors present and shall represent the Company externally.
- Article 15 A meeting of the Board of Directors shall be convened by stating the subjects and reasons and notifying the directors in accordance with the deadlines set by the competent authorities, but may be convened at any time in case of emergency.  
The notice of convening of the meeting in the preceding paragraph may be given in writing or by electronic means.  
If a meeting of the Board of Directors is held by video means, the directors who participate in the meeting by video means shall be deemed to be present in person.
- Article 16 If the Chairperson of the Board of Directors is absent from work or is unable to exercise his or her authorities for any reason, his or her proxy shall be governed by Article 208 of the Company Act. If a director is unable to attend a meeting of the Board of Directors for any reason, he or she shall issue a proxy form each time, specifying the scope of authorization, and appoint another director to attend as proxy, with each proxy limited to be appointed by one person.
- Article 17 The Company may purchase liability insurance for the directors during their term of office in respect of their liabilities under the law in carrying out the scope of the Company's business in order to protect the interests of all shareholders and to reduce the Company's operating risks.



Article 18 The Company may establish functional committees under the Board of Directors, and the establishment and authorities of the relevant committees shall be in accordance with the regulations set by the competent authorities.

The Company shall establish an Audit Committee, which shall consist of all independent directors. The number, term of office, authorities and rules of procedure of the meetings of the Audit Committee shall be governed by the Audit Committee Charter, which shall be established in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies

Article 19 The remuneration to directors shall be authorized to be determined by the Board of Directors based on the extent of their participation in the operation of the Company and the value of their contributions, and with reference to the domestic and international industry standards.

### **Chapter 5 Managerial Officers**

Article 20 The Company shall have a president, a CEO and a vice president or more, whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

### **Chapter 6 Accounting**

Article 21 At the end of each fiscal year, the Board of Directors shall prepare (I) the business report (II) financial statements (III) the earnings distribution proposal or losses make-up proposal, and submit them to the Audit Committee for review 30 days prior to the annual shareholders' meeting, and the Audit Committee shall issue a report to the annual shareholders' meeting for adoption.

Article 22 The Company shall set aside 5% to 10% of its annual profit, if any, as remuneration to employees, which shall be distributed in stock or cash by resolution of the Board of Directors; the Company may set aside not more than 3% of the above profit as remuneration to directors by resolution of the Board of Directors. The distribution of remuneration to employees and directors should be reported to the shareholders' meeting

However, if the Company still has accumulated losses, the Company shall reserve the amount for losses make-up in advance and then appropriate the remuneration to employees and directors in accordance with the aforementioned percentages.

Remuneration to employees in the form of stock or cash may be distributed to employees of the controlling or subordinate companies who meet certain criteria, as determined by the Board of Directors.

Article 23 If there are net profits in the Company's annual final accounts, it should provide for tax payables in accordance with the law, make up for accumulated losses, then allocate 10% as legal reserve after adding up items other than net profit after tax for the year, but when legal reserve has reached the amount of the Company's paid-in capital, no more legal reserve should be provided for, and special reserve should be appropriated from the remainder or reversed in accordance with the law. Based on the surplus earnings, if any, together with accumulated undistributed earnings, the Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholder meeting for a resolution to distribute dividends to shareholders.

If the aforementioned earnings, legal reserve and capital surplus are distributed in cash, the Board of Directors is authorized to distribute them by a resolution of a two-thirds majority of the Board of Directors and a majority of the Board of Directors present, and report to the shareholders' meeting. If the distribution is in stock, a resolution by the shareholders' meeting is required.

The Company's dividend policy provides that no less than 10% of available-for-distribution earnings should be allocated for dividend distribution to shareholders each year with consideration of the industrial environment, investment environment, capital requirements, profitability, capital structure and future operating needs, with the interests of shareholders and balance between dividends and the Company's long-term financial planning taken into account. No distribution is required if the dividend is less than \$0.1 per share; the dividends may be paid in cash or in stock, with the cash dividend not less than 30% of the total dividend.

### **Chapter 7 Supplementary Provisions**

Article 24 Any matters not covered by the Articles of Incorporation shall be governed by the Company Act and other laws and regulations.

Article 25 The Articles of Incorporation were established on August 15, 1981.

The 1st amendments were made on September 25, 1981.

The 2nd amendments were made on March 21, 1983.

The 3rd amendments were made on April 10, 1984.

The 4th amendments were made on May 6, 1985.

The 5th amendments were made on January 27, 1988.

The 6th amendments were made on January 7, 1989.

The 7th amendments were made on October 28, 1989.

The 8th amendments were made on November 16, 1991.

The 9th amendments were made on August 13, 1993.

The 10th amendments were made on November 14, 1994.

The 11th amendments were made on January 13, 1995.

The 12th amendments were made on July 15, 1996.

The 13th amendments were made on July 30, 1999.

The 14th amendments were made on September 8, 2000.

The 15th amendments were made on October 1, 2000.

The 16th amendments were made on July 30, 2001.

The 17th amendments were made on December 1, 2002.

The 18th amendments were made on November 8, 2003.

The 19th amendments were made on July 9, 2004.

The 20th amendments were made on June 25, 2005.

The 21st amendments were made on May 20, 2006.

The 22nd amendments were made on June 28, 2007.

The 23rd amendments were made on June 19, 2008.

The 24th amendments were made on May 16, 2009.

The 25th amendments were made on June 11, 2010.

The 26th amendments were made on June 13, 2011.

The 27th amendments were made on June 7, 2012.

The 28th amendments were made on May 30, 2013.

The 29th amendments were made on May 15, 2014.

The 30th amendments were made on October 25, 2014.

The 31st amendments were made on August 10, 2015.  
The 32nd amendments were made on May 29, 2016.  
The 33rd amendments were made on April 17, 2017.  
The 34th amendments were made on May 25, 2017.  
The 35th amendments were made on May 21, 2018.  
The 36th amendments were made on May 29, 2019.  
The 37th amendments were made on September 16, 2019  
The 39th amendments were made on May 22, 2020.  
The 39th amendments were made on September 2, 2020  
The 40th amendments were made on May 31, 2022.

Allied Supreme Corporation

**Rules of Procedure for Shareholder Meetings**

- Article 1 In order to establish a good governance system for the shareholder meeting of the Company, improve supervision functions and strengthen management functions, these rules are set forth in accordance with Article 5 of the “Corporate Governance Practice Principles for TWSE/TPEX Listed Companies” for compliance.
- Article 2 The Rules of Procedure for Shareholder Meetings of the Company, except as otherwise provided by law, regulation or the Articles of Incorporation, shall be as provided in the Rules.
- Article 3 Unless otherwise provided by laws and regulations, the Company’s shareholder meeting shall be convened by the Board of Directors.
- Any changes to the convening method of a shareholders’ meeting shall be resolved by the board of directors and may not be later than sending the meeting notice of the shareholders’ meeting.
- The Company shall prepare electronic versions of the shareholders’ meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) thirty days before the date of an ordinary shareholders’ meeting or fifteen days before the date of an extraordinary shareholders’ meeting. However, if a listed company has a paid-in capital of NT\$10 billion or more as of the end of the most recent fiscal year, or if the shareholdings of foreign and Mainland shareholders as recorded in the shareholders’ roster for the annual shareholders’ meeting in the most recent fiscal year has reached 30% or more, the electronic transmission of the aforementioned electronic file shall be completed 30 days before the convening of the annual shareholders’ meeting.
- The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the ordinary shareholders’ meeting or before 15 days before the date of the extraordinary shareholders’ meeting. The meeting handbook and supplementary materials of the meeting should be made available to shareholders 15 days before the shareholder meeting, and are exhibited on the premises of the Company and the professional stock affairs agency appointed by the Company. The agenda handbook and meeting supplemental information in the preceding paragraph, shall be provided to the shareholders for reference on the date of the shareholders’ meeting in the following manner:
- I. For the physical shareholders’ meeting, such information shall be distributed at the site of the meeting.
  - II. For the video-assisted shareholders’ meeting, such information shall be distributed at the site of the meeting, and transmitted to the video conference platform as the electronic files.
  - III. Where a shareholders’ meeting is convened in the manner of video conference, such information shall be transmitted to the video conference platform as the electronic files.

A meeting notice or meeting announcement shall contain information including the cause of meeting. With the approval of the counterparty, such notices or announcements shall be made electronically.

The election or dismissal of directors, changes in the Article of Incorporation, reduction of capital, application for suspension of a public offering, permission for directors to compete for business, transfer of earnings to capital, transfer of reserves to capital, dissolution, merger, demerger or the matters set forth in Article 185, Paragraph 1 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers should be listed and explained in the cause for convening and must not be proposed as extraordinary motions; the main contents thereof should be stated and shall not be proposed by extraordinary motions;

Where re-election of all directors and the date of their assumption of offices are stated in the causes for convening the shareholder meeting, after the completion of the re-election in the meeting, such date of their assumption of offices may not be altered by any extraordinary motion or other means in the same meeting.

Shareholders holding more than 1% of the total number of issued shares may submit a proposal to the Company for a annual shareholder meeting. However, the number of items in the proposal is limited to one. A proposal containing more than one item will not be included in the meeting agenda. In addition, when any of the circumstances of Paragraph 4 of Article 172-1 of the Company Act applies to a proposal put forward by a shareholder, the Board of Directors may exclude it from the meeting agenda. Shareholders may submit proposals for the purpose of urging the Company to promote the public interest or fulfill its social responsibility. Procedurally, it shall be limited to one proposal in accordance with the relevant provisions of Article 172-1 of the Company Act and submissions with more than one proposal shall not be included in the motion.

Prior to the date for the suspension of a stock transfer before a annual shareholder meeting is held, the Company should publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals must not be less than 10 days.

A shareholder proposal is limited to 300 words. If it exceeds 300 words, the proposal shall not be included in the meeting agenda; the proposing shareholder should attend the shareholder meeting in person or entrust others to attend and participate in the proposal's discussion.

The Company shall keep the proposing shareholders informed of the results in handling their proposals before the notice of the shareholders' meeting is served and shall have the proposals meeting the requirements set forth under this Article included in the agenda. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

#### Article 4

A shareholder may appoint a proxy to attend a shareholder meeting at each shareholder meeting by presenting a proxy form issued by the Company, stating the scope of authorization.

A shareholder shall issue only one proxy form and appoint only one proxy and deliver the proxy form to the Company 5 days before the shareholder meeting. In the event of duplicate proxies, the one received earliest shall prevail. unless the preceding proxy is declared withdrawn.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in the manner of a video conference, a written notice of proxy cancellation should be submitted to the Company 2 days before the meeting. If the cancellation notice is submitted after that time, the exercise of voting right by the proxy in the meeting shall prevail.

Article 5 (Principles governing the location and time of shareholders' meetings)

The location for a shareholder meeting should be the Company's premises, or a place easily accessible to shareholders and suitable for a shareholder meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The location and time of the meeting should be thoroughly considered with the opinions of independent directors. When the Company convenes the video shareholders' meetings, the restrictions of convention location in the preceding paragraph does not apply.

Article 6 (Preparation of signature book and other documents)

The Company should specify the shareholders, proxy solicitors, proxy agents (hereinafter referred to as "shareholders"), time and location for shareholder registration in the meeting notice as well as other matters requiring attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, should be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted should be clearly marked and a sufficient number of suitable personnel should be assigned to handle the registrations. The time during which shareholder attendance registrations will be accepted at the video conference platform shall be at least 30 minutes prior to the time when the meeting commences. The shareholders accepted are deemed as attending the shareholders' meeting in person.

Shareholders should present attendance cards, sign-in cards, or other attendance certificates to attend a shareholders' meeting. The Company must not arbitrarily add requirements for other documents from the shareholders in support of their eligibility to attend. Solicitors seeking proxy forms should bring identification documents for verification.

The Company should furnish a signature book for attending shareholders, or the attending shareholders may hand in a sign-in card instead.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Where the Company convenes the video shareholders' meetings and shareholders intend to attend in the manner of a video conference shall register with the Company two days prior to the meeting date.

Where the Company convenes the video shareholders' meetings, the Company shall upload the agenda handbook, annual reports and other related information to the video conference platform for the shareholders' meeting at least 30 minutes prior to the meeting and retain the disclosure of such until the meeting ends.

Article 6-1 (Where the video shareholders' meetings are convened, matters to be specified on the meeting notice)

Where the Company convenes the video shareholders' meetings, the meeting notice shall specify the following matters:

- I. The method for shareholders to attend the video conference and exercise their rights.
- II. The handling method when the video conference platform or participation in the manner of video conference fails due to force majeure, such as natural disasters or incidents and the following shall at least be included:
  - (I) The date for the postponement or re-convening when the aforesaid continuous failure that cannot be eliminated and thus a postponement or re-convening is required.
  - (II) The shareholders who have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting.
  - (III) Where the Company convenes the video-assisted shareholders' meetings and when the video meeting is discontinued, if the total attending shares still meet the statutory quorum for the shareholders' meeting commencement after deducting the shares held by the shares attending the meeting via video conference, the meeting shall continue; the shares held by the shares attending the meeting via video conferencing shall be included in the total shares of the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting.
  - (IV) The handling method where the results of all proposal are announced but the extraordinary motions are not addressed.
- III. Where the Company convenes the video shareholders' meetings, the proper alternatives provided for the shareholders having difficulties attending in the manner of a video conference shall be specified.

Article 7

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

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and understands the company's financial and business conditions. The same shall be true for a representative of a juristic-person director that serves as chair. The same applies if the chair is a representative of a juristic-person director.

For the shareholders' meeting convened by the Board of Directors, the chairperson of the board should preside in person and a majority of the directors, at least one representative of the various functional committees should attend. The attendance should be recorded in the shareholders' meeting minutes.

If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the convening person shall chair the meeting and if there are more than two such persons, one of them shall be elected as the chair of the meeting.

The Company may appoint lawyers, CPA, or related personnel to attend the shareholder meeting.

Article 8 (Audio or video recordings of shareholders' meetings as evidence)

The Company, beginning from the time it accepts shareholder attendance registrations, should make an uninterrupted audio and video recording of the registration procedure, the shareholder meeting proceedings, and the voting and vote-counting processes.

The recorded materials of the preceding paragraph should be kept for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

Where the Company convenes the video shareholders' meetings, the Company shall record and retain the records of the registration, enrollment, acceptance, inquiries, voting and the results of vote calculation and continuously record the video conference thoroughly, both audio and video.

The records and audio- and video recordings in the preceding paragraphs shall be properly retained during the Company's survival period and the audio- and video recordings are provided to the organizer of the video conference for custody.

Where the shareholders' meeting is convened in the manner of a video conference, the Company is advised to record the operating interface of the backend at the video conference platform, both video and audio.

Article 9 Attendance in a shareholder meeting should be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and shares registered at the video conference platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement. No more than two such postponements may be made for a combined total of no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. Where the Company convenes the video shareholders' meetings, the Company shall announce the meeting adjournment at the video conference platform.

When there are still insufficiently attending shareholders representing more than one-third of the total issued shares after two postponements, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act and all shareholders shall be notified of the tentative resolution. Another shareholder meeting shall be convened within one month. Where the Company convenes the video shareholders' meetings and shareholders intend to attend in the manner of a video conference shall register again with the Company per Article 6.

Before the meeting's conclusion, if the attending shareholders represent a majority of the total number of issued shares, the chair may submit a tentative resolution for voting by the shareholder meeting in accordance with Article 174 of the Company Act.



- Article 10 If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals of that meeting). The meeting should proceed in the order set by the agenda, which may not be changed without a resolution of the shareholder meeting.
- The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
- The chair must not declare the meeting adjourned before the conclusion of the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors should promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.
- The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to voting, the chair may announce the discussion closed, call for voting, and schedule sufficient time for voting.
- Article 11 (Shareholder's Speech)
- Before speaking, an attending shareholder must specify the speech's subject on a speaker slip, his or her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- An attending shareholder who has submitted a speaker slip but does not actually speak shall be deemed to have not spoken. When the speech's content does not correspond to the subject given on the speaker slip, the spoken content shall prevail.
- Except with the chair's consent, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the topic, the chair may terminate the speech.
- When an attending shareholder is speaking, other shareholders must not speak or interrupt unless they have sought and obtained the chair's consent and the speaking shareholder; the chair should stop any violation.
- When a juristic-person shareholder appoints two or more representatives to attend a shareholder meeting, only one person may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of the video conference may inquire with text at the video conference platform of the meeting since it is the chair who announces the meeting commencement until its adjournment. No more than two inquiries shall be raised for each proposal and the maximum length is 200 words. Paragraphs 1 to 5 are not applicable.
- Where the inquiries in the preceding paragraph not violating the requirements or within the scope of the agenda, it is advisable to disclose the inquiries at the video conference platform of the meeting for public knowledge.
- Article 12 Voting in a shareholder meeting should be calculated based on the number of shares.

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

On an issue under discussion in a shareholders' meeting, a shareholder who is an interested party in such issue that is likely to impair the interests of the Company shall not join the voting process, nor shall he or she exercise voting rights as a proxy for another shareholder.

The number of shares mentioned in the preceding paragraph that could not be exercised for voting rights shall not be counted as the voting rights of the shareholders who are already present in the meeting.

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

#### Article 13

A shareholder shall have one voting right per share, except when the shares are restricted shares or have no voting rights under Article 179, Paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall allow the exercise of voting rights by electronic means or by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise should be specified in the shareholder meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder exercises voting rights by correspondence or electronically, if the shareholder intends to attend the meeting via video conferencing in person, a written notice of proxy cancellation in the same manner of exercising the voting right shall be submitted to the Company before two business days prior to the meeting date. If the cancellation notice is submitted after that time, the voting rights exercised by correspondence or electronically shall prevail. When a shareholder has exercised voting rights by correspondence or electronic means and also appointed a proxy to attend the shareholder meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise required by the Company Act and by the Company's Article of Incorporation, the approval of a proposal shall require an affirmative vote of a majority of the attending shareholders' voting rights. At the time of voting, the chair or the person designated by the chair should first announce the total number of voting rights of the attending shareholders for each proposal. The shareholders shall vote on each proposal. On the same day after the meeting, the results of shareholders' approvals, disapprovals and abstentions, shall be entered into the Market Observation Post System.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When anyone is approved, the other proposals will then be deemed rejected, and no further voting shall be required.

Monitoring and counting personnel for voting on a proposal shall be appointed by the chair, but all monitoring personnel should be shareholders.

Vote counting for shareholder meeting proposals or elections should be conducted in a public place in the shareholder meeting. Immediately after vote counting has been completed, the voting results, including the statistics of the number of rights, shall be announced on the spot and recorded.

Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of video conference shall vote via the video conference platform to each proposal and election after the Chairperson declares the meeting commencement. Such voting shall be completed before the Chairperson declares the end of voting; anyone who misses the deadline is deemed to have abstained.

Where the Company convenes the video shareholders' meetings, the votes shall be calculated at once upon the end of voting declared by the chair and the results of voting or elections announced.

Where the Company convenes the video-assisted shareholders' meetings, the shareholders who already have registered to attend the meeting in the manner of video conferencing pursuant to Article 6, but then intend to attend the off-line shareholders' meeting in person, he/she shall withdraw the registration in the same manner of registration two days prior to the shareholders' meeting date; those who miss the deadline may only attend the shareholders' meeting in the manner of a video conference.

Those who exercise the vote in the manner of writing or electronic method, without withdrawing their expressions of intents and attending the meeting in the manner of a video conference, other than the extraordinary motions, must not exercise the votes to the original proposal, propose any amendments to the original proposal or exercise the votes to the amendment to the original proposal.

Article 14 In the event of an election of directors and independent directors in a shareholders' meeting, the election results, including the list of elected directors, independent directors and the number of their elected rights, and the list of un-elected directors and the number of elected rights they received should be announced on the spot in accordance with the relevant election regulations established by the Company. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

Article 15 A shareholder meeting's resolutions should be recorded in the meeting minutes, which shall be signed or sealed by the chair and distributed to each shareholder within 20 days after the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes should accurately record the year, month, day and place of the meeting, the chair's name, the methods of ratification, and a summary of the discussions and voting results (including statistics of voting rights) and disclose the number of votes received by each candidate in the event of an election of directors. The minutes shall be retained permanently during the continuance of the Company.

Where the Company convenes the video shareholders' meetings, other than the matters to be recorded as required in the preceding paragraph, the starting and ending time of the shareholders' meeting, convention method of the meeting, names of the chair and record-keeper and the handling method when the video conference platform or participation in the manner of video conference fails due to disasters, incidents or other *force majeure* and the handling status shall be specified.

Where the Company convenes the video shareholders' meetings, other than complying with the preceding paragraph, the minutes shall also specify the alternatives for the shareholders having difficulties in attending the manner of the video conference.

Article 16 (Public Announcement)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and shares attending by correspondence or electronic means, shall make an express disclosure of the same at the place of the shareholders' meeting. The Company shall upload the aforesaid information to the video conference platform for the shareholders' meeting, at least 30 minutes prior to the meeting and retain the disclosure of such until the meeting ends.

Where the Company convenes the video shareholders' meetings, the total weights held by the shareholders attending the meeting shall be disclosed at the video conference platform. The same applies if the number of attendance weights is also counted during the meeting.

If a resolution in a shareholder meeting constitutes material information required by relevant laws or regulations or by Taiwan Stock Exchange (Taipei Exchange), the Company should transmit the content of such resolution to the Market Observation Post System within the prescribed time period after the public offering.

Article 17 The personnel administering the shareholder meeting should wear identification cards or armbands.

The chair may direct proctors or security personnel to help maintain order in the meeting place. Proctors or security officers, when helping maintain order at the scene, should wear armbands or identification cards with the word "Proctor."

If the meeting place is equipped with sound-amplifying equipment, the chair may stop any shareholders from speaking unless they are using the equipment set up by the Company.

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

Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

- Article 19 (Information disclosure on video conference)  
Where the shareholders' meetings are convened in the manner of a video conference, the Company shall disclose the voting results of each proposal and election results at the video conference platform for the shareholders' meeting and retain the disclosure at least 15 minutes after the chair declares adjournment.
- Article 20 (Locations of the chair and record-keeper of video shareholders' meeting)  
When the Company convenes the video shareholders' meetings, the chair and the record-keeper shall be at the same location within Taiwan. The chair shall announce the address of this location.
- Article 21 (Handling interruptions of communications)  
Where the shareholders' meeting is convened in the manner of a video conference, the Company may provide the shareholders with a simple connection test and the related services before and during the meeting in real-time, to help to handle technical problems of communications.  
Where the shareholders' meeting is convened in the manner of video conference, the chair, when declaring the meeting commencement, shall also declare the events not requiring postponement or re-convening specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies; before the chair declares the adjournment, in the event where the video conference platform or the participation in the video conference fails for 30 minutes or more due to natural disasters, incidents or other *force majeure*, the date of the shareholders' meeting postponed to, or re-convened shall be within five days and Article 182 of the Company Act shall not apply.  
Where the meeting is to be postponed or re-convened as specified in the preceding paragraph, the shareholders who have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting.  
If the meeting is to be postponed or re-convened as specified in Paragraph 2, the shareholders who registered to attend the original meeting via the video conferencing and have completed the acceptance, but did not attend the postponed or re-convened meeting, their attending shares at the original meeting, the exercised voting rights and election rights, shall be counted into the total shares, voting rights and election rights of the attending shareholders in the postponed or re-convened meeting.  
The postponement or re-convening of the shareholders' meetings conducted per Paragraph 2 need not again discuss and resolve the proposal that have completed voting and vote calculation, with the announcement of voting results or the list of elected directors.  
Where the Company convenes the video-assisted shareholders' meetings and when the video meeting is discontinued as specified in Paragraph 2 and the total attending shares still meet the statutory quorum for shareholders' meeting commencement, the postponement or re-convening of the meeting per Paragraph 2 is not required.  
Under the circumstances to continue the meeting as specified in the preceding paragraph, the shares held by the shares attending the meeting via video conferencing shall be included in the total shares of the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting.  
Where the Company postpones or re-convenes any shareholders' meeting as specified in Paragraph 2, the pre-requisite operations shall be conducted based on the original shareholders' meeting date and pursuant to Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For the periods specified in the latter part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall proceed on the date of the postponed or re-convened shareholders' meeting per paragraph.

Article 22 (Handling digital gaps)

Where the Company convenes the video shareholders' meetings, the proper alternatives shall be provided for the shareholders having difficulties to attend in the manner of video conference.

Article 23 The rules will be implemented after approval by a shareholder meeting, and the same applies to amendments.

Article 24 The Rules were established on May 29, 2019.  
The 1st amendments were made on September 2, 2020.  
The 2nd amendments were made on July 22, 2021  
The 3rd amendments were made on May 31, 2022

Allied Supreme Corporation

Procedures for Election of Directors

- Article 1 For the purpose of fair, just and open election of directors, the Procedures are hereby established in accordance with Article 21 and Article 41 of the “Corporate Governance Practice Principles for TWSE/TPEX Listed Companies.”
- Article 2 The Company shall follow the Procedures for the election of directors, unless otherwise provided by law or the Articles of Incorporation.
- Article 3 The overall configuration of the Board of Directors should be considered for the election of directors of the Company. Diversity shall be considered for the composition of the Board of Directors; appropriate diversity policy must be established for its operations, operating patterns, and development needs. The policies shall include, but are not limited to, the following two major standards:
- I. Basic conditions and values: gender, age, nationality, culture, etc.
  - II. Professional knowledge and skills: professional background (*i.e.*, law, accounting, industry, finance, marketing or technology), professional skills, industrial experience, etc.
- The members of the Board of Directors shall generally possess the knowledge, skills and qualities necessary to perform their duties. The overall competencies they should possess are as follows:
- I. Operational judgment capability.
  - II. Accounting and financial analysis capabilities.
  - III. Operation and management capabilities.
  - IV. Crisis management capability.
  - V. Industry knowledge.
  - VI. International market outlook.
  - VII. Leadership capability.
  - VIII. Decision-making capacity.
- More than half of the directors shall not be related to each other as spouses or relatives within 2nd degree of kinship. The composition of the Company’s Board of Directors shall be adjusted based on the results of the performance appraisal.
- Article 4 The qualifications of the independent directors of the Company shall comply with the provisions of Articles 2, 3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”
- The election of independent directors of the Company shall comply with the provisions of Articles 5, 6, 7, 8 and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and shall be governed by Article 24 of the “Corporate Governance Practice Principles for TWSE/TPEX Listed Companies.”
- Article 5 The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system as set forth in Article 192-1 of the Company Act.

If the number of directors is less than five and any directors are dismissed for any reason, the Company shall hold a by-election at the next shareholders' meeting. However, if the number of director vacancies reaches one-third of the number of seats set forth in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting within 60 days from the date of occurrence of the fact to hold a by-election.

If the number of independent directors is less than the proviso of Paragraph 1, Article 14-2, a by-election shall be held at the next shareholders' meeting; if all independent directors are dismissed, a by-election shall be held at an extraordinary shareholders' meeting within 60 days from the date of occurrence of the fact.

Article 6 The Company shall adopt the cumulative voting system for the election of directors. Each share shall have the same voting rights as the number of directors to be elected, which may be cast collectively for a single candidate or split among several candidates.

Article 7 The Board of Directors should prepare election ballots corresponding to the number of directors to be elected, specify the number of voting rights on the ballots and distribute the ballots to the shareholders attending the shareholder meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors will be as specified in the Company's Article of incorporation, with voting rights separately calculated for independent and non-independent directors. Those receiving the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine, with the chair drawing lots for those not in attendance.

Article 9 Before the election begins, the chair should appoint a number of persons with shareholder status as vote monitoring and counting personnel to perform the respective duties. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting beings.

Article 10 A ballot is invalid if any of the following is true:  
I. Do not use ballots prepared by the person who has the convening right.  
II. Put void ballots into the ballot box.  
III. The handwriting is blurred and unrecognizable or has been altered.  
IV. The names of the persons to be elected do not match with the list of director candidates by verification.  
V. In addition to the number of election rights allocated, other words are included.

Article 11 After the voting is completed, the ballot box should be opened on the spot. The results of the voting shall be announced by the chair on the spot, including the list of directors elected and the number of their elected rights.  
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.  
However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the meeting minutes involved shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

Article 12 The Board of Directors of the Company shall issue a notice of election to the elected directors.



Article 13 The Procedures will be implemented after approval by a shareholder meeting, and the same applies to amendments.

Article 14 The Procedures were established on May 29, 2019.  
The 1st amendments were made on September 2, 2020.

## Appendix 4

Allied Supreme Corporation  
Shareholdings of Directors

As of March 28, 2023 (date of suspension of stock transfer)

Position	Name	Number of shares held
Chairperson	Hou, Chia-Sheng	2,767,840
Director	Hsieh, Sheng-Kuo	4,772,640
Director	Ying Sheng Investment Co., Ltd. Representative: Su, Ming- Sheng	5,163,485
Director	Wu, Ming-Yuan	1,772,144
Director	Shang He Investment Co., Ltd. Representative: Chen, Si-Ling	4,520,825
Director	Li, Yuan-Chung	1,168,741
Independent Director	Wang, Kui-Ching	0
Independent Director	Chien, Yu-Kuo	0
Independent Director	Lu, Chien-Jong	0
Total		20,165,675

Note: The number of issued shares of the Company is 79,037,000 shares. In accordance with Article 26 of the Securities and Exchange Act and in accordance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the minimum number of shares to be held by all directors of the Company is 6,322,960 shares.

# Worldwide



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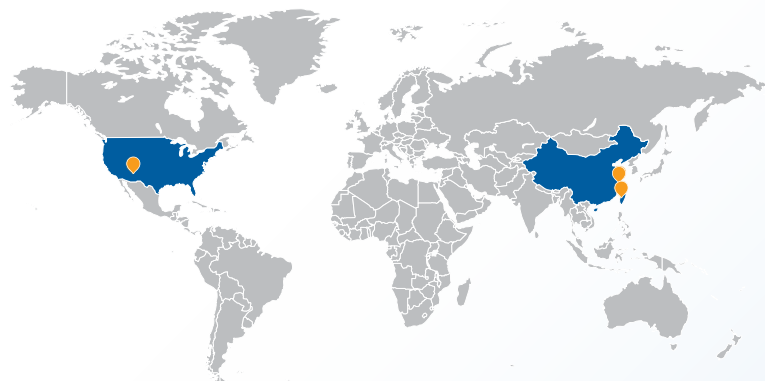
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