



Andes Technology Corporation

Handbook for the 2024 Annual Meeting of Shareholders

(Summary Translation)

Meeting Date: May 24th, 2024

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Andes Technology Corporation

Procedure for the 2024 Annual Meeting of Shareholders

- I. Call the Meeting to Order
- II. Chairman Remarks
- III. Report Items
- IV. Acknowledgements
- V. Election
- VI. Proposed Resolutions
- VII. Extemporany Motions
- VIII. Meeting Adjourned

Andes Technology Corporation

Agenda of Year 2024 Annual Meeting of Shareholders

Time: 10:00 a.m., May 24th, 2024 (Friday)

Venue: Meeting Room Bach, 4F, No.1, Gongye E. 2nd Rd., Hsinchu Science Park,
Hsinchu, Taiwan

Held by means of: Physical shareholders meeting

Agenda:

- I. Call the Meeting to Order
- II. Chairman Remarks
- III. Report items
 - (1) 2023 business report
 - (2) Audit Committee's review report
- IV. Acknowledgements
 - (1) Adoption of the 2023 business report and financial statements
 - (2) Adoption of the proposal for deficit compensation of 2023
- V. Election
 - (1) Election of 7 Directors (including 3 Independent Directors) of the 8th session directors of the Company
- VI. Proposed Resolutions
 - (1) Proposal for releasing the non-compete restriction on the Company's 8th newly elected Directors.
 - (2) Proposal for planning and implementing the company's long-term fundraising.
- VII. Extemporaneous Motions
- VIII. Meeting Adjourned

I. Report Items

Report item (1)

Proposed by the Board of Directors

Subject: 2023 business report.

Descriptions: For 2023 business report is attached on P.8~P.9, Attachment 1.

Report item (2)

Proposed by the Board of Directors

Subject: Audit Committee's review report.

Descriptions: 2023 Audit Committee's review report is attached on P.10, Attachment 2.

II. Acknowledgements

Acknowledgement (1)

Proposed by the Board of Directors

Subject: Adoption of the 2023 business report and financial statements.

Descriptions:

- (1) 2023 financial statements, including the balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, were audited by independent auditors Wan-Ju Chiu and Hsin-Min Hsu of Ernst & Young.
- (2) For the 2023 business report, independent auditors' report, and the aforementioned financial statements, please refer to page 8~9, Attachment 1, page 11~21, Attachment 3, and page 22~32, Attachment 4.

Resolution:

Acknowledgement (2)

Proposed by the Board of Directors

Subject: Adoption of the proposal for deficit compensation of 2023.

Descriptions:

- (1) The proposal for deficit compensation of 2023 has been approved by the 14th Meeting of the 7th Board of Directors and reviewed by Audit Committee. The Audit Committee's review report was issued accordingly.
- (2) Please refer to the 2023 deficit compensation table below:

Descriptions	Amount (NTD)
Unappropriated retained earnings of previous years	\$ 246,586,837
Net loss of 2023	(101,718,135)
Unappropriated retained earnings	<u>\$ 144,868,702</u>

Chairman: Jyh-Ming Lin

President: Hong-Men Su

CFO: Han-Chang Cho

Resolution:

III. Election

Election (1)

Proposed by the Board of Directors

Subject: Election of 7 Directors (including 3 Independent Directors) of the 8th session directors of the Company

Descriptions:

- (1) According to Article 16 of the Company's "Articles of Incorporation", the Company sets up 5 to 9 director seats, and the board is authorized to decide the number of directors.
- (2) The tenure of Directors of the 7th session will be due on July 6th, 2024. The Company plans to elect the Directors of the 8th session for 7 seats of Directors (including 3 seats of Independent Directors) at the 2024 annual shareholders' meeting. The tenure of Directors of the 7th session will be due on the end of the annual shareholders' meeting. The new tenure of Directors will start at the end of the election from May 24th, 2024, to May 23rd, 2027, for a period of three years.
- (3) For the list of Director Candidates (including Independent Directors Candidates), please refer to P.33-P.34, Attachment 5.
- (4) Election is respectfully requested.

Voting Results:

IV. Proposed Resolutions

Proposal (1)

Proposed by the Board of Directors

Subject: Proposal for releasing the non-compete restriction on the Company's 8th newly elected Directors.

Descriptions:

- (1) Pursuant to Article 209 of the Company Act, "a director who engages in any behavior for himself/herself or on behalf of another person that is within the scope of the company's business shall explain the essential contents of such an act to the shareholders' meeting and obtain its approval."
- (2) Since there are directors of the Company holding concurrent positions at other companies whose business scope is the same or similar to that of the Company, we hereby request the meeting of shareholders to approve the removal of the non-competition restriction imposed on the directors of the Company in accordance with the above-mentioned Article 209 of the Company Act.
- (3) For the position and company name list of the candidate for the Directors (including Independent Directors), please refer to P.35, Attachment 6.

Resolution:

Proposal (2)

Proposed by the Board of Directors

Subject: Proposal for planning and implementing the company's long-term fundraising.

Descriptions:

- (1) In reply to the capital needs for the Company's future long-term strategic development and operational growth (Including but not limited to reinvestment, software, equipment, and related technologies for investing in high-end technical products, enhancing working capital, constructing factories, repaying bank loans, and/or supporting other funding needs for the company's long-term development, among one or more purposes.), and to internationalize and to diversify fundraising methods, the Company plans to propose to the shareholders' meeting to authorize the board of directors to issue ordinary shares up to a limit of 10 million shares based on market conditions and the company's funding needs. The company will choose an appropriate timing and financing instrument within this quota, either singly or in combination, one-time or multiple. This may involve conducting issuance of global depositary receipts ("GDRs") through the issuance of common shares by capital increase, and/or issuance of common shares for cash capital increase in Taiwan, and/or issuing European Convertible Bond ("ECB") or

- convertible bonds (“CB”) internationally, to raise long-term funds.
- (2) Description of this long-term fundraising plan, please refer to P.36~38, Attachment 7.
 - (3) The key details of this long-term fundraising plan, including but not limited to underwriting methods, issuance price, actual number of shares to be issued, issuance conditions, issuance procedures, project plans, fund utilization, fundraising amount, planned fund utilization progress, anticipated benefits, and all other matters related to the issuance, are proposed to be authorized by the Annual Meeting of Shareholders for adjustment and formulation by the board of directors based on market conditions. In the future, any changes due to regulatory approval, operational assessments, or objective environmental needs will also be fully authorized to be handled by the board of directors, with subsequent supplementary announcements.
 - (4) To complete the fundraising plan, it is proposed to authorize the Chairman of the Board or their designated representative to approve and sign on behalf of the company all matters related to the current long-term fund-raising project, as well as to sign relevant contracts and documents.
 - (5) It is proposed that the Board of Directors is fully authorized by the Annual Meeting of Shareholders to handle any matters not fully provided for above in accordance with relevant laws and regulations.

Resolution:

V. Extemporary Motions

VI. Meeting Adjourned

Attachment

Andes Technology Corporation Business Report

The year 2023 marked the beginning of the post-epidemic era. Countries gradually opened their doors, and business travel has returned to normal. The impact of the epidemic is still lingering in the industries. For example, telecommuting and online meetings are still the norm, but they have compromised communication efficiency to some extent. Moreover, the trend of inventory reconciliation in the semiconductor industry continues to grow. After a year and a half of recession, IC designers worldwide show signs of struggling, especially in Mainland China, where the industry is experiencing fierce "internal competition." However, in such a chaotic situation, Andes Technology still achieved double-digit growth, and hit the record of launching the highest number of products in one year.

Business results in 2023

Financial status:

In 2023, Andes Technology's consolidated revenue was NT\$1,057,818 thousands, showing an increase of 13.52% from last year, and made a record high again. The licensing of CPU IP accounted for 63% of the total revenue, royalty revenues accounted for 22%, maintenance service and other income accounted for 15%.

The consolidated net operating loss was NT\$268,494 thousands, non-operating income was NT\$169,402 thousands, and the net loss for the whole year was NT\$101,718 thousands. Earnings per share was NT\$2.01. The net cash outflow was NT\$1,900,740 thousands for the whole year. The operating loss in 2023 was mainly due to the cost of investing in high-end CPU IP R&D projects.

Budget execution status:

In terms of budget execution, Andes Technology only set internal budget targets in 2023 and did not disclose its financial forecasts.

Financial Income and Expense and Profitability Analysis:

Item		Year	2023	2022	Difference
Financial Income and Expense (NT\$ thousands)	Net cash inflows (outflows) from operating activities		(69,133)	718,120	(787,253)
	Net cash outflows from investing activities		(1,728,247)	(468,944)	(1,259,303)
	Net cash outflows from financing activities		(102,413)	(163,644)	61,231
Profitability (%)	Return on Assets		(1.86)	6.9	(126.96)
	Return on Equity		(2.08)	7.29	(128.53)
	Income Before Tax to Paid-in Capital Ratio		(19.56)	75.62	(125.87)
	Net Profit Margin		(9.62)	48.82	(119.70)
	Earnings Per Share (\$)		(2.01)	7.03	(128.59)

Sales and marketing status:

In 2023, the turnover contributed by the RISC-V product line has grown, reaching for 89% of the total turnover, and growing 4% of the royalties. In terms of regional operations, turnover in Taiwan was at a record high of 36%, and turnover in North America was at the same level as 31%. The turnover contribution of China was affected by the U.S-China trade war, accounting for only 26% of the total. Affected by the semiconductor industry's inventory correction, although the global royalty was slightly (1.20%) declined, the total cumulative customer SoC shipments have exceeded 14 billion units.

Research development status (IP core and technology):

In 2023, significant results from Andes' recent investment in R&D and product development were noticeable, with six new IP products being launched throughout the year. Compared to previous years, where we introduced two to three products annually, the product line has become more abundant and diversified. These six new products are AX45MPV, AX65, D23, N225, D25F-SE, and I350. AX45MPV is the world's leading product that pushes Vector Processor to RISC-V RVV 1024-bit VLEN. AX65 is the Andes' first RISC-V high-end CPU with Out of Order micro-architecture. I350 is a deep learning accelerator for the Andes AI Runs Everywhere (AndesAIRE) series. In addition, Andes' ACE RVV has also achieved compatibility with RISC-V RVV instruction set registers for products that work with custom instructions. The company also unveiled helpful tools like AnDLA Driver, AndesAIRE NN Library, and AndesAIRE NN Pilot, catering to RISC-V users focused on AI applications. Collectively, Andes qualifies as a global leader in RISC-V CPU IP, hardware, and software tools.

Business plan summary in 2023**Management policy and future company development strategy:**

Andes is continuing its high-growth strategy with strategic investments in R&D. The company has completed the establishment of four design centers in North America and initiated several R&D projects. Notable achievements, such as the AX65, represent the first generation of high-end products. Starting from this year, the company will release several high-end CPU IP products, which will bring opportunities for its growth. The design center at the Hsinchu headquarters also developed the AX45MPV, D23, N225, and D25F-SE. The company will also produce extended or next-generation products of these products and will participate in developing the 60 series and advanced products. In addition, Andes will announce its Android-compatible RISC-V CPU family projects and ISO 26262 ASIL-D automotive CPU IP this year to help customers gain success in high-end applications.

Impact due to external competitive environment, regulatory environment, and overall business environment:

Since Andes Technology went public in 2017, it has followed the relevant laws and regulations of listed companies, continued to promote corporate governance, and improve information transparency. The company also established an audit committee to implement corporate governance in 2020. Despite nVidia and TSMC's dominance in the semiconductor market over the past two years, both companies have significantly invested in AI and are reaping the rewards. Andes is engaged in developing and delivering AI application solutions leveraging the advantages of its RISC-V CPU IP product lines and RISC-V features. It is believed that the company will also excel in AI and HPC related fields and achieve significant profits in the future.

Last but not least, we would like to deliver our sincere appreciation to all of our shareholders for your long-term trust and continuous support for Andes and wish you all good health and good luck.

Chairman: Jyh-Ming Lin

President: Hong-Men Su

CFO: Han-Chang Chou

Attachment 2 Audit Committee's Review Report

Andes Technology Corporation Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements, and proposal for deficit compensation. The CPA firm of Ernst & Young was retained to audit Andes' financial statements and has issued an audit report relating to the financial statements. The business report, financial statements, and deficit compensation proposal have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please kindly approve.

To Andes Technology Corporation 2024 Annual General Shareholders' Meeting

Andes Technology Corporation

Chairman of the Audit Committee: Chen-Kuo Yang

March 5th, 2024



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Independent Auditors' Report Translated from Chinese

Independent Auditors' Report

To: Andes Technology Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Andes Technology Corporation and its subsidiaries (the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Operating revenues recognized by the Group amounted to NT\$1,057,818 thousand for the year ended December 31, 2023. The Group provides embedded processor intellectual property (IP), and its revenues are mainly from licensing IP and providing IP maintenance services to clients. Considering that revenues from contracts with customers usually include more than one performance obligations, the Group recognizes revenues when the control of goods and services under each performance obligation has been transferred. However, contract terms may vary and there remains a risk of revenues being recorded in an inappropriate period because the control of the promised goods or services has not been transferred to the buyer. Therefore, we considered this a key audit matter.

Our audit procedures included (but not limited to) assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the design and operating effectiveness of internal controls over revenue recognition; selecting samples from the contracts with customers to review significant terms and conditions of contracts, identify separate performance obligations and their transaction prices, and further perform tests of details to verify the correctness of the amount and timing of revenue recognition.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Group's consolidated financial statements.



An intangible asset arising from development costs

The Group devotes itself to developing and constructing a unique system architecture and contributes significant R&D efforts in development of embedded processor IPs and hardware/software developing platforms. Therefore, the Group determined to capitalize the expenditures during development phases of certain R&D projects. Net carrying value of intangible assets arising from development recognized by the Group was NT\$1,126,949 thousand as of December 31, 2023, NT\$728,653 thousand of which was recognized during the year. Both amounts are significant to the Group. In order to meet all of the capitalization criteria, the Group's management performed assessments on each individual project based on the internal and external information available, which involved management judgement and assumptions. Therefore, we considered this a key audit matter.

Our audit procedures included (but not limited to) evaluating and testing the design and operating effectiveness of internal controls over the internally generated intangible assets, including assessing whether the Group has established appropriate written accounting policies that address the required conditions and documentations for R&D expenditure capitalization; selecting samples from research and development projects of the year to gather evidence to support the technical feasibility, future economic benefits, the availability of future resources and expenditures needed, the management's intention to complete and the ability to sell the intangible asset; and verifying the accuracy of the expenditures attributable to the intangible asset during its development phase and the amount to be capitalized.

We also assessed the adequacy of disclosures of intangible assets. Please refer to Notes 4, 5 and 6 to the Group's consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by 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 ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

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 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 internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements 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.



Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of Andes Technology Corporation as of and for the years ended December 31, 2023 and 2022.

Chiu, Wan-Ju

Hsu, Hsin-Min

Ernst & Young, Taiwan

March 5, 2024

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the R.O.C., and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ANDES TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2023	%	December 31, 2022	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 1,889,825	35.42	\$ 4,097,615	75.55
Financial assets measured at amortized cost, current	4, 6(2)	1,078,265	20.20	-	-
Contract assets, current	4, 6(10), 6(11)	227,381	4.26	127,664	2.35
Trade receivables, net	4, 6(3), 6(11)	199,798	3.75	111,318	2.05
Other receivables		47,115	0.88	16,727	0.31
Inventories	4, 6(4)	2,148	0.04	2,198	0.04
Prepayments		156,986	2.94	66,568	1.23
Total current assets		<u>3,601,518</u>	<u>67.49</u>	<u>4,422,090</u>	<u>81.53</u>
Non-current assets					
Property, plant and equipment	4, 6(5)	96,476	1.81	74,884	1.38
Right-of-use assets	4, 6(12)	108,338	2.03	85,403	1.57
Intangible assets	4, 6(6)	1,135,637	21.28	613,606	11.31
Deferred tax assets	4, 6(16)	30,702	0.58	22,550	0.42
Refundable deposits		9,268	0.17	6,183	0.11
Other noncurrent assets - others	6(7)	354,041	6.64	199,342	3.68
Total non-current assets		<u>1,734,462</u>	<u>32.51</u>	<u>1,001,968</u>	<u>18.47</u>
Total assets		<u>\$ 5,335,980</u>	<u>100.00</u>	<u>\$ 5,424,058</u>	<u>100.00</u>

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ANDES TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2023	%	December 31, 2022	%
Current liabilities					
Contract liabilities, current	4, 6(10)	\$ 83,459	1.56	\$ 93,344	1.72
Other payables		263,510	4.94	205,304	3.79
Lease liabilities, current	4, 6(12)	28,673	0.54	16,904	0.31
Other current liabilities		22,893	0.43	5,457	0.10
Total current liabilities		<u>398,535</u>	<u>7.47</u>	<u>321,009</u>	<u>5.92</u>
Non-current liabilities					
Deferred tax liabilities	4, 6(16)	44,572	0.84	43,137	0.80
Lease liabilities, noncurrent	4, 6(12)	81,947	1.53	70,740	1.30
Total non-current liabilities		<u>126,519</u>	<u>2.37</u>	<u>113,877</u>	<u>2.10</u>
Total liabilities		<u>525,054</u>	<u>9.84</u>	<u>434,886</u>	<u>8.02</u>
Equity attributable to owners of the parent					
Capital					
Common stock	6(9)	506,509	9.49	506,509	9.34
Capital surplus	6(9)	4,096,056	76.76	4,096,056	75.52
Retained earnings	6(9)				
Legal reserve		60,666	1.14	25,072	0.46
Special reserve		-	-	2,220	0.04
Undistributed earnings		144,869	2.72	355,937	6.56
Total retained earnings		<u>205,535</u>	<u>3.86</u>	<u>383,229</u>	<u>7.06</u>
Other equity		2,826	0.05	3,378	0.06
Total equity		<u>4,810,926</u>	<u>90.16</u>	<u>4,989,172</u>	<u>91.98</u>
Total liabilities and equity		<u>\$ 5,335,980</u>	<u>100.00</u>	<u>\$ 5,424,058</u>	<u>100.00</u>

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ANDES TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2023	%	2022	%
Operating revenues	4, 6(10), 7	\$ 1,057,818	100.00	\$ 931,821	100.00
Operating costs	6(4)	(823)	(0.08)	(731)	(0.08)
Gross profit		1,056,995	99.92	931,090	99.92
Operating expenses	6(11), 6(12), 6(13), 7				
Selling expenses		(343,100)	(32.43)	(312,604)	(33.55)
Administrative expenses		(186,804)	(17.66)	(129,399)	(13.89)
Research and development expenses		(766,251)	(72.44)	(559,679)	(60.06)
Expected credit (loss) gains		(29,334)	(2.77)	1,424	0.15
Total operating expenses		(1,325,489)	(125.30)	(1,000,258)	(107.35)
Operating (loss) income		(268,494)	(25.38)	(69,168)	(7.43)
Non-operating income and expenses	6(14)				
Interest income		153,715	14.53	62,775	6.74
Other income		9,660	0.91	8,683	0.93
Other gains and losses		8,251	0.78	383,190	41.12
Finance costs		(2,224)	(0.21)	(1,730)	(0.18)
Total non-operating income and expenses		169,402	16.01	452,918	48.61
Net (loss) income before income tax		(99,092)	(9.37)	383,750	41.18
Income tax expense	4, 6(16)	(2,626)	(0.25)	(27,813)	(2.98)
Net (loss) income		(101,718)	(9.62)	355,937	38.20
Other comprehensive income (loss)	6(15), 6(16)				
To be reclassified to profit or loss in subsequent periods					
Exchange differences resulting from translating the financial statements of foreign operations		(690)	(0.06)	7,779	0.84
Income tax relating to those items to be reclassified to profit or loss		138	0.01	(1,555)	(0.17)
Other comprehensive income (loss) , net of tax		(552)	(0.05)	6,224	0.67
Total comprehensive income (loss)		\$ (102,270)	(9.67)	\$ 362,161	38.87
Net (loss) income attributable to:					
Owners of the parent		\$ (101,718)		\$ 355,937	
Total comprehensive income attributable to:					
Owners of the parent		\$ (102,270)		\$ 362,161	
Earnings per share (NTD)	6(17)				
Basic Earnings Per Share		\$ (2.01)		\$ 7.03	
Diluted Earnings Per Share		\$ (2.01)		\$ 7.00	

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ANDES TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent						Total equity
	Capital		Retained earnings			Other equity	
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings		
Balance as of January 1, 2022	\$ 506,509	\$ 4,096,056	\$ 8,906	\$ 1,019	\$ 161,665	\$ (2,846)	\$ 4,771,309
Appropriation and distribution of 2021 retained earnings	-	-	16,166	-	(16,166)	-	-
Legal reserve	-	-	-	1,201	(1,201)	-	-
Special reserve	-	-	-	-	(144,298)	-	(144,298)
Cash dividends	-	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	355,937	-	355,937
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	6,224	6,224
Total comprehensive income (loss)	-	-	-	-	355,937	6,224	362,161
Balance as of December 31, 2022	506,509	4,096,056	25,072	2,220	355,937	3,378	4,989,172
Appropriation and distribution of 2022 retained earnings	-	-	35,594	-	(35,594)	-	-
Legal reserve	-	-	-	-	(75,976)	-	(75,976)
Cash dividends	-	-	-	(2,220)	2,220	-	-
Reversal of special reserve	-	-	-	-	-	-	-
Net loss for the year ended December 31, 2023	-	-	-	-	(101,718)	-	(101,718)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(552)	(552)
Total comprehensive income (loss)	-	-	-	-	(101,718)	(552)	(102,270)
Balance as of December 31, 2023	\$ 506,509	\$ 4,096,056	\$ 60,666	\$ -	\$ 144,869	\$ 2,826	\$ 4,810,926

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

ANDES TECHNOLOGY CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS****For the years ended December 31, 2023 and 2022**

(Amounts in thousands of New Taiwan Dollars)

Description	2023	2022
Cash flows from operating activities:		
Net (loss) income before income tax	\$ (99,092)	\$ 383,750
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	51,257	31,879
Amortization	221,143	163,275
Expected credit loss (gains)	29,334	(1,424)
Interest expense	2,224	1,730
Interest income	(153,715)	(62,775)
Other Items	27	-
Changes in operating assets and liabilities:		
Contract assets	(99,717)	(19,675)
Trade receivables	(117,579)	44,559
Other receivables	(57)	109
Inventories	50	(1,063)
Prepayments	(90,418)	(20,754)
Other noncurrent assets	6,650	17,328
Contract liabilities	(9,885)	21,323
Trade payables	-	(2,930)
Other payables	59,030	124,742
Other current liabilities	17,436	(624)
Cash (used in) generated from operating activities	(183,312)	679,450
Interest received	136,217	51,623
Income tax paid	(22,038)	(12,953)
Net cash (used in) provided by operating activities	(69,133)	718,120
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	(1,078,265)	-
Proceeds from disposal of financial assets measured at amortized cost	-	180,000
Acquisition of property, plant and equipment	(50,643)	(59,895)
Increase in refundable deposits	(3,395)	(90)
Decrease in refundable deposits	318	17
Acquisition of intangible assets	(743,174)	(396,771)
Increase in other noncurrent assets	(160,138)	(192,205)
Net cash used in investing activities	(2,035,297)	(468,944)
Cash flows from financing activities:		
Cash payments for the principal portion of the lease liabilities	(24,213)	(17,616)
Cash dividends	(75,976)	(144,298)
Interest paid	(2,224)	(1,730)
Net cash used in financing activities	(102,413)	(163,644)
Effect of changes in exchange rate on cash and cash equivalents	(947)	7,343
Net (decrease) increase in cash and cash equivalents	(2,207,790)	92,875
Cash and cash equivalents at the beginning of the year	4,097,615	4,097,615
Cash and cash equivalents at the end of the year	\$ 1,889,825	\$ 4,190,490

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou



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Independent Auditors' Report Translated from Chinese

Independent Auditors' Report

To: Andes Technology Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Andes Technology Corporation (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (collectively "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2023 parent company only financial statements. 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.



Revenue recognition

Operation revenues recognized by the Company amounted to NT\$822,343 thousand for the year ended December 31, 2023. The Company provides embedded processor intellectual property (IP), and its revenues are mainly from licensing IP and providing IP maintenance services to clients. Considering that revenues from contracts with customers usually include more than one performance obligations, the Company recognizes revenues when the control of goods and services under each performance obligation has been transferred. However, contract terms may vary and there remains a risk of revenues being recorded in an inappropriate period because the control of the promised goods or services has not been transferred to the buyer. Therefore, we considered this a key audit matter.

Our audit procedures included (but not limited to) assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the design and operating effectiveness of internal controls over revenue recognition; selecting samples from the contracts with customers to review significant terms and conditions of contracts, identify separate performance obligations and their transaction prices, and further perform tests of details to verify the correctness of the amount and timing of revenue recognition.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the parent company only financial statements.

An intangible asset arising from development costs

The Company devotes itself to developing and constructing a unique system architecture and contributes significant R&D efforts in development of embedded processor IPs and hardware/software developing platforms. Therefore, the Company determined to capitalize the expenditures during development phases of certain R&D projects. Net carrying value of intangible assets arising from development recognized by the Company was NT\$1,126,949 thousand as of December 31, 2023, NT\$728,653 thousand of which was recognized during the year. Both amounts are significant to the Company. In order to meet all of the capitalization criteria, the Company's management performed assessments on each individual project based on the internal and external information available, which involved management judgement and assumptions. Therefore, we considered this a key audit matter.



Our audit procedures included (but not limited to) evaluating and testing the design and operating effectiveness of internal controls over the internally generated intangible assets, including assessing whether the Company has established appropriate written accounting policies that address the required conditions and documentations for R&D expenditure capitalization; selecting samples from research and development projects of the year to gather evidence to support the technical feasibility, future economic benefits, the availability of future resources and expenditures needed, the management's intention to complete and the ability to sell the intangible asset; and verifying the accuracy of the expenditures attributable to the intangible asset during its development phase and the amount to be capitalized.

We also assessed the adequacy of disclosures of intangible assets. Please refer to Notes 4, 5 and 6 to the parent company only financial statements.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of 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 ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.



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 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 internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. 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 accompanying notes, 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 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 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chiu, Wan-Ju

Hsu, Hsin-Min

Ernst & Young, Taiwan
March 5, 2024



Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the R.O.C.

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the R.O.C., and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

ANDES TECHNOLOGY CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2023	%	December 31, 2022	%
ASSETS					
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 1,601,010	31.10	\$ 3,891,478	72.50
Financial assets measured at amortized cost, current	4, 6(2)	1,078,265	20.94	-	-
Contract assets, current	4, 6(1), 6(12), 7	217,264	4.22	63,485	1.18
Trade receivables, net	4, 6(3), 6(12)	48,815	0.95	80,452	1.50
Trade receivables-related parties, net	4, 6(3), 6(12), 7	148,833	2.89	122,692	2.29
Other receivables		47,057	0.92	16,727	0.31
Inventories	4, 6(4)	2,148	0.04	2,198	0.04
Prepayments		120,119	2.33	61,624	1.15
Total current assets		3,263,511	63.39	4,238,656	78.97
Non-current assets					
Investments accounted for using the equity method	4, 6(5)	182,315	3.54	139,302	2.60
Property, plant and equipment	4, 6(6)	86,391	1.68	73,029	1.36
Right-of-use assets	4, 6(13)	90,080	1.75	76,412	1.42
Intangible assets	4, 6(7)	1,135,637	22.06	613,606	11.43
Deferred tax assets	4, 6(17)	30,702	0.60	22,550	0.42
Refundable deposits		7,070	0.13	4,772	0.09
Other noncurrent assets - others	6(8)	352,830	6.85	199,342	3.71
Total non-current assets		1,885,025	36.61	1,129,013	21.03
Total assets		\$ 5,148,536	100.00	\$ 5,367,669	100.00

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

English Translation of Financial Statements Originally Issued in Chinese

ANDES TECHNOLOGY CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2023	December 31, 2022	%
			\$	\$	%
Current liabilities					
Contract liabilities, current	4, 6(11), 7	53,412	56,527	1.04	1.05
Other payables	7	137,697	195,409	2.67	3.64
Lease liabilities, current	4, 6(13)	20,628	12,280	0.40	0.23
Other current liabilities		10,120	5,456	0.20	0.10
Total current liabilities		221,857	269,672	4.31	5.02
Non-current liabilities					
Deferred tax liabilities	4, 6(17)	44,572	43,137	0.87	0.80
Lease liabilities, noncurrent	4, 6(13)	71,181	65,688	1.38	1.23
Total non-current liabilities		115,753	108,825	2.25	2.03
Total liabilities		337,610	378,497	6.56	7.05
Equity attributable to owners of the parent					
Capital					
Common stock	6(10)	506,509	506,509	9.84	9.44
Capital surplus	6(10)	4,096,056	4,096,056	79.56	76.31
Retained earnings	6(10)				
Legal reserve		60,666	25,072	1.18	0.47
Special reserve		-	2,220	-	0.04
Undistributed earnings		144,869	355,937	2.81	6.63
Total retained earnings		205,535	383,229	3.99	7.14
Other equity		2,926	3,378	0.05	0.06
Total equity		4,810,926	4,989,172	93.44	92.95
Total liabilities and equity		\$ 5,148,536	\$ 5,367,669	100.00	100.00

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

ANDES TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2023	%	2022	%
Operating revenues	4, 6(11), 7	\$ 822,343	100.00	\$ 729,058	100.00
Operating costs	6(4)	(823)	(0.10)	(731)	(0.10)
Gross profit		821,520	99.90	728,327	99.90
Operating expenses	6(7), 6(12), 6(13), 6(14), 7				
Selling expenses		(178,072)	(21.65)	(170,461)	(23.38)
Administrative expenses		(140,396)	(17.07)	(125,699)	(17.24)
Research and development expenses		(763,992)	(92.91)	(513,186)	(70.39)
Expected credit (losses) gains		(5,742)	(0.70)	1,509	0.20
Total operating expenses		(1,088,202)	(132.33)	(807,837)	(110.81)
Operating loss		(266,682)	(32.43)	(79,510)	(10.91)
Non-operating income and expenses	6(15)				
Interest income		150,213	18.27	62,516	8.57
Other income		4,516	0.55	8,683	1.19
Other gains and losses		9,159	1.11	389,564	53.44
Finance costs		(1,821)	(0.22)	(1,460)	(0.20)
Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method		1,912	0.23	3,221	0.44
Total non-operating income and expenses		163,979	19.94	462,524	63.44
Net (loss) income before income tax		(102,703)	(12.49)	383,014	52.53
Income tax benefit (expense)	4, 6(17)	985	0.12	(27,077)	(3.71)
Net (loss) income		(101,718)	(12.37)	355,937	48.82
Other comprehensive income (loss)	6(16), 6(17)				
To be reclassified to profit or loss in subsequent periods					
Exchange differences resulting from translating the financial statements of foreign operations		(690)	(0.08)	7,779	1.07
Income tax relating to those items to be reclassified to profit or loss		138	0.02	(1,555)	(0.21)
Other comprehensive income (loss), net of tax		(552)	(0.06)	6,224	0.86
Total comprehensive income (loss)		\$ (102,270)	(12.43)	\$ 362,161	49.68
Earnings per share (NTD)	6(18)				
Basic Earnings Per Share		\$ (2.01)		\$ 7.03	
Diluted Earnings Per Share		\$ (2.01)		\$ 7.00	

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

English Translation of Financial Statements Originally Issued in Chinese
ANDES TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

	Capital		Retained earnings			Other equity	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	
Balance as of January 1, 2022	\$ 506,509	\$ 4,096,056	\$ 8,906	\$ 1,019	\$ 161,665	\$ (2,846)	\$ 4,771,309
Appropriation and distribution of 2021 retained earnings							
Legal reserve	-	-	16,166	-	(16,166)	-	-
Special reserve	-	-	-	1,201	(1,201)	-	-
Cash dividends	-	-	-	-	(144,298)	-	(144,298)
Net income for the year ended December 31, 2022	-	-	-	-	355,937	-	355,937
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	6,224	6,224
Total comprehensive income (loss)	-	-	-	-	355,937	6,224	362,161
Balance as of December 31, 2022	506,509	4,096,056	25,072	2,220	355,937	3,378	\$ 4,989,172
Appropriation and distribution of 2022 retained earnings							
Legal reserve	-	-	35,594	-	(35,594)	-	-
Cash dividends	-	-	-	-	(75,976)	-	(75,976)
Reversal of special reserve	-	-	-	(2,220)	2,220	-	-
Net loss for the year ended December 31, 2023	-	-	-	-	(101,718)	-	(101,718)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(552)	(552)
Total comprehensive income (loss)	-	-	-	-	(101,718)	(552)	(102,270)
Balance as of December 31, 2023	\$ 506,509	\$ 4,096,056	\$ 60,666	\$ -	\$ 144,869	\$ 2,826	\$ 4,810,926

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

English Translation of Financial Statements Originally Issued in Chinese

ANDES TECHNOLOGY CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

Description	2023	2022
Cash flows from operating activities:		
Net (loss) income before income tax	\$ (102,703)	\$ 383,014
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	44,010	26,920
Amortization	221,143	163,275
Expected credit losses (gains)	5,742	(1,509)
Interest expense	1,821	1,460
Interest income	(150,213)	(62,516)
Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	(1,912)	(3,221)
Changes in operating assets and liabilities:		
Contract assets	(153,779)	(3,901)
Trade receivables	25,895	35,888
Trade receivables - related parties	(26,141)	(16,692)
Other receivables	1	1
Inventories	50	(1,063)
Prepayments	(58,495)	(20,224)
Other noncurrent assets	6,650	17,334
Contract liabilities	(3,115)	2,303
Trade payables	-	(112)
Other payables	(56,888)	131,276
Other current liabilities	4,664	(625)
Cash (used in) generated from operating activities	<u>(243,270)</u>	<u>651,608</u>
Interest received	132,715	51,364
Income tax paid	<u>(18,427)</u>	<u>(12,217)</u>
Net cash (used in) provided by operating activities	<u>(128,982)</u>	<u>690,755</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	(1,078,265)	-
Proceeds from disposal of financial assets measured at amortized cost	-	180,000
Acquisition of investments accounted for using the equity method	(41,791)	-
Acquisition of property, plant and equipment	(39,777)	(59,104)
Increase in refundable deposits	(2,304)	(89)
Decrease in refundable deposits	6	17
Acquisition of intangible assets	(743,174)	(396,771)
Increase in other noncurrent assets	(160,138)	(192,205)
Net cash used in investing activities	<u>(2,065,443)</u>	<u>(468,152)</u>
Cash flows from financing activities:		
Cash payments for the principal portion of the lease liabilities	(18,246)	(13,947)
Cash dividends	(75,976)	(144,298)
Interest paid	(1,821)	(1,460)
Net cash used in financing activities	<u>(96,043)</u>	<u>(159,705)</u>
Net (decrease) increase in cash and cash equivalents	(2,290,468)	62,898
Cash and cash equivalents at the beginning of the year	3,891,478	3,828,580
Cash and cash equivalents at the end of the year	<u>\$ 1,601,010</u>	<u>\$ 3,891,478</u>

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

Chairman : Jyh-Ming Lin

President : Hong-Meng Su

Chief Financial Officer : Han-Chang Chou

Attachment 5 List of Director Candidates (including Independent Director Candidates)

**Andes Technology Corporation
List of Director Candidates
(Including Independent Director Candidates)**

Position	Candidates	Education Recognitions	Previous Positions	Current Positions
Director	Hsiang Fa Co. Representative: Andrew Chang	Master Of Electrical Engineering, New York Polytechnic University, USA	Vice Chairman, Richtek Technology SVP, Mediatek Inc.	Director, Andes Technology Corp. Independent Director, AOPEN Solutions Corp. Director, Mediatek Foundation Chairman, AaltoSemi Inc.
Director	National Development Fund Representative: Herming Chiueh	Ph.D. In Electrical Engineering, University of Southern California, USA	Assistant Professor, Department of Electrical Engineering, National Chiao Tung University Assistant Professor, Department of Communications Engineering, National Chiao Tung University Director, TWEMBA Member Of Digital Wireless Transmission Platform Supervision Group, Government Information Office, Executive Yuan Member Of Cable Broadcasting and Television Review Committee, NCC Member Of Cable Broadcasting and Television Review Committee, Government Information Office, Executive Yuan Member Of Digital Radio Review Committee, Government Information Office, Executive Yuan Member Of Radio Review Committee, Government Information Office, Executive Yuan	Director, Andes Technology Corp. Associate Professor, Department of Electrical Engineering, National Chiao Tung University Asia Silicon Valley Development Agency (ASVDA) Co-CEO Deputy Minister, Ministry of Digital Affairs
Director	Jyh-Ming Lin	MSEE, Portland State University, Oregon, USA.	President, Andes Technology Corp. VP Of Sales, Faraday Technology Corp. Business Manager, UMC	Chairman & CEO, Andes Technology Corp. Chairman, Andes Technology (Samoa) Corporation. Chairman, Andes Technology (Wuhan) Corporation. Chairman & CEO, Andes Technology USA Corporation. Chairman, Andes Technology Shanghai Corporation. Chairman, Andes Technology Canada Corporation.

Position	Candidates	Education Recognitions	Previous Positions	Current Positions
Director	Hong-Men Su	Ph.D. in Computer Science, University of Illinois, USA	CTO & Executive Vice President, Andes Technology Corp. Chief Architect, Faraday Technology Corp. Sr. Staff, Sun Microsystems Sr. Staff, Afara Websystems C-Cube Micro Director, Silicon Graphics Sr. Engineer, Intergraph Corp.	Director, President & CTO, Andes Technology Corp. Director, Andes Technology (Wuhan) Corporation. Director, Andes Technology USA Corporation. Director & President, Andes Technology Shanghai Corporation. Director& CEO, Condor Computing Corporation Director, Andes Technology Canada Corporation.
Independent Director	Chien-Kuo Yang	Bachelor's Degree, Tamkang University Department of International Trade.	Independent Director, Spirox Corp. Independent Director, M31 Technology Corporation	Independent Director, Andes Technology Corp. Chairman/Partner, Diwan & Company Accounting Firm. Chairman, Diwan Management Advisory Services Co., Ltd. Independent Director, Leadtrend Technology Corporation Chairman, Tien Da Investment Co. Independent Director, Macronix International Co., Ltd.
Independent Director	Jiun-Hao Lai	Master Of Science in Electrical and Computer Engineering, University Of California, Santa Barbara, USA	General Manager, Global Unichip Corp. Director, MegaChips Corp.	Independent Director, Andes Technology Corp. Director, Giga Solution Corporation Director, Wolley Inc. Independent Director, Silicon Optronics Inc. Independent Director, Truelight Corporation Consultant, Xconn Technologies Chairman, Skymizer Taiwan Inc. Director, Oomii Inc. Independent Director, Focaltech Systems Co., Ltd. Director, M31 Technology Corporation
Independent Director	Chia-Ling Yang	Ph.D. in Computer Science, Duke University, USA	Director, Delta-National Taiwan University Joint Research Center Director, Institute of Networking and Multimedia at National Taiwan University	Deputy Executive Secretary, Office of Science and Technology of the National Science and Technology Commission Professor, Department of Computer Science and Information Engineering at National Taiwan University

Attachment 6 The Position and Company Name List of the Candidate for the Directors (including Independent Directors)

**The Position and Company Name List of the Candidate for the Directors
(including Independent Directors)**

Position	Name	Company name	Current positions
Juristic Person Director	National Development Fund	Taiwan Semiconductor Manufacturing Co., Ltd.	Corporate director
		Vanguard International Semiconductor Co.	Corporate director
		Infinity Communication Tech. Inc.	Corporate director
		Metanoia Communications Inc.	Corporate director
Representative of juristic person director	National Development Fund Representative: Herming Chiueh	Asia Silicon Valley Development Agency (ASVDA)	Co-CEO
Juristic Person Director	Hsiang Fa Co.	Chunghwa Precision Test Tech.Co., Ltd	Corporate director
		Mars Semiconductor Corp.	Corporate director
		Chingis Technology Corporation	Corporate director
		Cmos-Crystal Technology Co., Limited	Corporate director
		Research Corp.	Corporate director
		Innofusions Technology Corp.	Corporate director
Representative of juristic person director	Hsiang Fa Co. Representative: Andrew Chang	Aopen Solutions Corp.	Independent Director
		Mediatek Foundation	Director
		AaltoSemi Inc.	Chairman
Independent Director	Chien-Kuo Yang	Diwan & Company Accounting Firm	Chairman/Partner,
		Diwan Management Advisory Services Co., Ltd.	Chairman
		Leadtrend Technology Corporation	Independent Director
		Macronix International Co., Ltd	Independent Director
		Tien Da Investment Co	Chairman
Independent Director	Jiun-Hao Lai	Giga Solution Corporation	Independent Director
		Wolley Inc, USA	Director
		Silicon Optronics, Inc.	Independent Director
		Truelight Corporation	Independent Director
		Skymizer Taiwan Inc.	Chairman
		Oomii Inc.	Director
		Focaltech Systems Co., Ltd.	Independent Director
		M31 Technology Corporation	Director
Independent Director	Chia-Ling Yang	Office of Science and Technology of the National Science and Technology Commission	Deputy Executive Secretary

Attachment 7 Description of the Long-Term Fundraising Plan

Description of the Long-Term Fundraising Plan

1. Fundraising Purpose and Amount: For various purposes such as reinvestment, investment in advanced technology products including software, equipment, and related technology, enhancing operational funds, constructing facilities, repaying bank loans, and/or supporting other long-term funding needs of the company. It is proposed to seek authorization from the Annual Meeting of Shareholders to empower the board of directors, depending on market conditions and the company's funding needs, to issue ordinary shares not exceeding 10 million common shares. The timing and fundraising instruments will be chosen appropriately, either individually or in combination, to conduct the issuance of global depositary receipts ("GDRs") through the issuance of common shares by capital increase and/or domestic cash capital increases by issuing common shares, and/or issuing overseas or domestic convertible corporate bonds to raise long-term funds.
2. Fundraising and Implementation Principles:
 - i. Principles for issuing GDRs through the issuance of new ordinary shares by capital increase:
 - A. The determination of the issuance price for cash capital increases by issuing common shares for participation in the issuance of global depositary receipts ("GDRs") shall be based on the regulations of the Securities and Futures Institute of the ROC Securities Dealers Association. The price shall not be lower than (a) the closing price of the company's ordinary shares on the domestic centralized trading market on the pricing date, or (b) 80% of the simple average of the closing prices of ordinary shares calculated from the previous one, three, or five business days excluding stock rights (or reduction of rights) and average prices after ex-dividend. If the actual issuance price is lower than 90%, GDRs holders cannot request redemption within three months after issuance. The underwriter shall assist the company in specifying the issuance plan and deposit agreement accordingly. In the event of changes in domestic regulations, adjustments to the pricing method may be made. The actual issuance price, within the aforementioned range, shall be determined by the Chairman based on international practices, considering international capital markets, domestic market prices, and aggregated subscription conditions, to enhance acceptance among overseas investors.
 - B. The determination of the issuance price for GDRs shall be based on the fair trading price of ordinary shares formed in the domestic centralized trading market. Original shareholders who did not participate in the issuance may purchase common shares in the domestic stock market to maintain their equity ratio, at a price close to the issuance price of GDRs. The maximum dilution rate of shareholders' equity calculated based on the issuance of new shares for participation in the issuance of overseas depositary receipts, with an upper limit of 10 million shares issued, will not have a significant impact on shareholders' equity.
 - ii. Principles for issuing of common shares for cash capital increase:
 - A. If Book Building method is adopted:

- a. Except as provided in Article 267 of the Company Act, which reserves 10% to 15% of the total issuance of shares for subscription by employees of the Company and those reserved for employees of subsidiary companies as stipulated in the Company's Articles. For the remaining 85% to 90% of shares, it is proposed, according to Article 28-1 of "Securities and Exchange Act", that the original shareholders waive their pre-emptive rights to their respective shareholding in the Annual Meeting of Shareholders and conduct a public offering through Book Building. In case the employees waive their rights to subscribe, or any shares remain unsubscribed, it is further proposed to authorize the Chairman of the Board of Directors (the "Chairman") to allow the remaining shares for subscription by a designated person(s) at the issue price.
 - b. Pursuant to Article 7 of "Disciplinary Rules for Securities Underwriters Assisting Issuing Company in the Offering and Issuance of Securities" ("Disciplinary Rules"), the issuance price of the new ordinary shares may not be lower than 90% of the simple arithmetic average of the closing prices of the Company's ordinary shares on Taiwan Stock Exchange for either one, three, or five business days prior to the filing date with the Financial Supervisory Commission ("FSC"), the registration date of book building agreement, or the registration date of underwriting contract with Taiwan Securities Association after adjustment for any distribution of share dividend (or capital reduction) or cash dividend. It is proposed to authorize the Chairman or his designated person to coordinate with the lead underwriter to determine the actual issuance price based on the aforementioned price range, the status of book building, the conditions of the market where the securities are issued, and relevant regulations.
- B. If Public Subscription method is adopted:
- a. Except as provided in Article 267 of the Company Act, which reserves 10% to 15% of the total issuance of shares for subscription by employees of the Company and those reserved for employees of subsidiary companies as stipulated in the Company's Articles, an additional 10% of the total issuance of new shares shall be allocated for public underwriting in accordance with Article 28-1 of the Securities Exchange Act. The remaining 75% to 80% shall be subscribed by original shareholders based on their shareholding ratio as recorded in the shareholders' register on the record date. Fractional shares resulting from subscriptions of less than one share shall be consolidated by shareholders themselves within five days from the date of suspension of transfer. Original shareholders and employees may relinquish their subscription rights or consolidate fractional shares of less than one share. The Chairman is authorized to negotiate with specific individuals for subscription at the issuance price.
 - b. Pursuant to Article 7 of "Disciplinary Rules for Securities Underwriters Assisting Issuing Company in the Offering and Issuance of Securities" ("Disciplinary Rules"), the issuance price of the new ordinary shares may not be lower than 70% of the simple arithmetic average of the closing prices of the Company's ordinary shares on Taiwan Stock Exchange for either one, three, or five business days prior to the filing date with the Financial

Supervisory Commission (“FSC”), the registration date of book building agreement, or the registration date of underwriting contract with Taiwan Securities Association after adjustment for any distribution of share dividend (or capital reduction) or cash dividend. It is proposed to authorize the Chairman or his designated person to coordinate with the lead underwriter to determine the actual issuance price based on the price range, the status of book building, the conditions of the market where the securities are issued, and relevant regulations.

- iii. Principles for issuing of European Convertible Bond (“ECB”) or Convertible Bond (“CB”):
 - A. When issuing a European Convertible Bond (“ECB”) or Convertible Bond (“CB”), the number of common shares convertible by the convertible bonds shall be calculated based on the conversion price at the time of issuance within the range of 10 million shares.
 - B. Regarding the significant details of this issuance of ECB or CB, including the actual issuance price, face value, issuance conditions, total issuance amount, project plan, progress of fund utilization, expected benefits, issuance and conversion methods of overseas or domestic unsecured convertible bonds, conversion price, listing location, and all other matters related to this issuance, it is proposed to authorize the Chairman to jointly determine with the lead underwriter based on market conditions. After approval by the competent securities authority, the issuance will take place. In the future, if there is a need to amend due to regulatory requirements from the competent authority, operational assessment, or changes in market conditions or objective environmental needs, it is proposed to authorize the Chairman to handle it on behalf of the Company according to market conditions and actual needs.

Appendix

Appendix 1 Andes Rules and Procedures of Shareholders' Meeting

Andes Technology Corporation Rules and Procedures of Shareholders' Meeting

The Procedures were passed in the Annual Shareholders' Meeting dated June 18, 2020.

- Article 1 Unless otherwise provided for in applicable laws and regulation or this Company's Articles of Incorporation, the Company's Shareholders' Meeting Rules and Procedures shall comply with the following articles.
- Article 2 Convening shareholders meetings and shareholders meeting notices
1. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
 2. A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.
 3. 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) within the specified period of time . 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 regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
 4. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
 5. Election or dismissal of directors, amendments to the articles of incorporation, capital reduction, application for the withdrawal of an IPO, ,permit on Directors for participation in competitive business, capitalization of profits, capital surplus transferred to capital, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be specified and elaborated set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Major contents of the meeting shall be posted on website of the agency in charge of securities or website as appointed by the Corporation. The URL of such a website shall be listed on the notice of meeting.6. The cause(s) of subject(s) of the shareholders 'meeting has stated the full re-election of directors and the date of appointment, the same meeting may not change its appointment date by extemporary motion or other means after the re-election of the shareholders' meeting is completed.
 7. A shareholder who holding 1 percent or more of the total number of issued shares

may submit to the company a written proposal for discussion at a regular shareholders meeting. Such proposals however are limited to one item only, and who propose more than one item, will not be included in the meeting agenda. Unless there are reasonable grounds subject to requirements of laws and regulations, a shareholder's proposal proposed for urging the company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. In addition, when the circumstances of any section about Article 172-1, paragraph 4 of the Company Act proposed by a shareholder, the board of directors may exclude it from the agenda.

8. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
9. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
10. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 4 To appoint a proxy to attend a shareholders' meeting and authorization.

1. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 Preparation of documents such as the attendance book

1. The company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

3. Shareholders and their proxies shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
4. The company shall furnish the attending Shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. 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, pre-printed ballots shall also be furnished.
6. 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.

Article 6 The chair and non-voting participants of a shareholders meeting

1. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, 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 the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.
2. 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 who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
3. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
4. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 7 The shareholders meeting attendance calculation and conference.

1. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. 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.

3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 8 Discussion of proposals

1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, the related agenda (including extemporaneous motions and ordinary resolutions), shall be resolved by voting each. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. 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.
3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall 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.
4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote within sufficient voting period..

Article 9 Shareholder speech

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
3. Except with the consent of the chair, 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 agenda item, the chair may terminate the speech.
4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
5. When a juristic person shareholder appoints two or more representatives to

attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

6. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 10 Calculation of voting shares and recusal system

1. Voting at a shareholders meeting shall be calculated based the number of shares.
2. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
3. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
4. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
5. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 11 Voting, ballot examination and ballot count.

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. The company shall be classified the electronic means as one of the method for shareholders to exercise their voting rights.
2. When the Company holds a shareholders meeting, it should exercise voting rights by electronic means, and may allow the shareholders to exercise voting rights by correspondence means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will 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.
3. 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 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised

- by the proxy in the meeting shall prevail.
4. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
 5. A proposal is deemed to have passed when no attending shareholders gave a dissent after being inquired by the chair, and the effect thereof is the same as a vote; if there are dissents, a vote in the preceding paragraph shall be adopted.
 6. 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 a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.
 7. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
 8. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
 9. The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company.

Article 12 Meeting minutes and acknowledgments

1. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
2. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the company.
3. If shareholders do raise any objection, the resolution must specify the voting method adopted and the number and percentage of rights voted in favor.

Article 13 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 14 Public disclosure

1. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders

meeting.

2. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 15 Maintaining order at the meeting venue

1. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
2. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
3. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
4. 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 16 Recess and resumption of shareholders meeting

1. 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.
2. 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.
3. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 17 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Appendix 2 Andes Articles of Incorporation

Andes Technology Corporation Article of Incorporation (Translation)

Section I – General Provisions

Article 1

The Company shall be incorporated as a company limited by shares under the Company Act of the Republic of China, and its name shall be Andes Technology Corporation. (In the English language)

Article 2

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

1. CC01080: Electronic parts and components manufacture.
2. I501010: Product design.
3. F401010: International trade business.
4. I301010: Information & software services.
5. I301020: Data processing services.
6. F601010: Intellectual property.
7. Research, design, development, manufacture, and selling of the following products:
 - I. RISC CPU for Embedded Processor SoC
 - i. Generic platform
 - ii. Network platform
 - iii. Multimedia platform
 - II. Integrated circuits (ICs)
 - i. Platform SoC including Andes CPU
 - ii. Other integrated circuits supporting Platform SoC

Article 3

The Company is headquartered in the Hsinchu Science Park in Taiwan, and shall be free, upon approval of the Board of Directors and government authorities in charge, to set up representative or branch offices at various locations within or outside the territory of the Republic of China, whenever the Company deems it necessary.

Article 4

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

Article 4-1

The Company may invest to other companies based on business requirements and may invest to the resolution of the Board of Directors based on actual requirements. When the Company becomes a shareholder of limited liability of another company, the total amount of the company's investment will not be subject to the restriction of not more than 40% of the Company's paid-in capital as provided in Article 13 of the Company Act.

Article 4-2

The Company may provide endorsement and guarantee to other companies. The process shall be handled in accordance with the Company's Operating Procedures of Endorsement/Guarantee. Unless otherwise under any of the circumstances in Article 15 of the Company Act, the capital of a company shall not be lend to any shareholder of the company or any other person.

Section II – Capital Stock

Article 5

The total capital amount of the Company shall be in the amount of 700 Million New Taiwan Dollars (NT\$700,000,000), divided into 70 million (70,000,000) shares at NT\$10 par value each share, and may be issued in installments subject to the resolution of the Board of Directors. Within the aforementioned capital, NT\$70,000,000 will be reserved for issuing stock options, and may be issued in installments in accordance with the resolution of the Board of Directors.

The company may issue stock options that are not subject to the exercise price restriction set out in Article 53 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers. The Company is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting. The Company is allowed to register multiple issues over a period of one year from the date of the shareholders resolution.

Where the Company proposes to transfer any treasury shares purchased in accordance with the laws, the transferees shall include the employees of subordinate companies that meet certain qualification(s).

Where the Company issues any employee stock options, the employees who are qualified to subscribe to such employee stock options shall include employees of subordinate companies that meet certain qualification(s).

Where the Company issues any new shares, the employees who are qualified to subscribe to such shares shall include employees of subordinate companies that meet certain qualification(s).

Where the Company issues any employee restricted shares, the employees who are qualified to subscribe to such shares shall include employees of subordinate companies that meet certain qualification(s).

Article 6

The share certificates of the Company shall all be name-bearing share certificates. The Company may be exempted from printing share certificates if the shares are registered with a domestic securities depository enterprise.

Article 7

Registration for transfer of shares shall be suspended 60 days immediately before the date of annual general shareholders' meeting, and 30 days immediately before the date of any special Shareholders' meeting, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

The Company shall handle its stock affairs for shareholders in accordance with the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies, relevant laws, rules and regulations.

Section III – Shareholders' Meeting

Article 8

Shareholders' meeting can be divided into regular meetings and special meetings. Regular meetings are convened once a year and usually within six months of the end of each fiscal year. The regular meeting is convened by the Board of Directors according to the law. Special meetings may be convened according to the law when necessary. The procedure of convening Shareholders' Meetings shall be in accordance with the Company Act, relevant laws, rules and regulations of the Republic of China.

The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 9

Notices shall be sent to all shareholders for the convening of annual general shareholders

meetings at least 30 days in advance for annual general shareholders meetings and at least 15 days in advance for special shareholders meetings. The meeting date, venue and the purpose(s) for convening such shareholders meeting shall be clearly stated in the meeting notices.

The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

Article 10

If a shareholder is unable to attend a shareholders meeting, he/she may appoint a representative to attend it, with a Shareholder Proxy Form issued by the Company, in accordance with Article 177, 177-1 and 177-2 of the Company Act of the Republic of China, Article 25-1 of Securities and Exchange Act, and the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 11

Each share is entitled to one voting right; except those shares for which the voting rights are restricted or excluded as stipulated in the Company Law, other laws and regulations. The company shall be classified the electronic means as one of the methods for shareholders to exercise their voting rights. A shareholder who exercises his voting right in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person. Voting rights shall be conducted in accordance with the relevant laws and regulations.

Article 12

Except as otherwise provided by other laws or regulations, shareholders meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. At the shareholders meeting, except as otherwise provided in The Company Act and the Article of Incorporation, the details of which shall be handled in accordance with the Rules of Procedure for Shareholders Meetings.

Article 13

The shareholders' meeting shall be presided by the Chairman of the Board of Directors of the Company. In case the Chairman is on leave or otherwise cannot exercise his duty and authority for any reason, the Chairman shall appoint a director to act as his deputy; otherwise, the directors shall elect from among themselves a chairman to preside over the shareholders meeting. If a shareholders meeting is convened by a person other than the Board of Directors, the shareholders meeting shall be chaired by that convener. If there are two or more conveners for a shareholders meeting, one of them shall be elected to chair the meeting.

Article 14

The resolutions of the shareholders meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. The production and distribution of the minutes may be done in electronic form. The minutes specified above shall be distributed in accordance with the provisions of the Company Act, relevant laws and regulations.

Article 15

To revoke public issuance after the Company publicly issuing stocks, the share certificates shall be approved by the resolution of a shareholders meeting, and apply to the competent authority. This Article shall remain unchanged during the period of Emerging Stock Board and publicly listing on TWSE or TPEX.

Section IV – Directors and Audit Committee

Article 16

The Company shall have at least five but no more than nine directors with the actual number to be determined by the Board. The term of office for directors shall be three years. The directors shall be elected from among the nominees listed in the roster of director candidates pursuant to the candidates nomination system, and be elected at the shareholders' meeting by the shareholders from any person with legal capacity in accordance with the Company Law. All of the directors are eligible for re-election.

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially as directors according to their respective numbers of votes.

To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least three independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The independent directors shall be elected from among the nominees listed in the roster of director candidates pursuant to the candidates' nomination system. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, method of election, and other matters for compliance with respect to Independent Directors shall be governed by the relevant provisions of the Company Act and Securities and Exchange Act.

Article 17

The Board of Directors shall be formed by directors. The Directors shall elect from among themselves a Chairman of the Board of Directors, by a majority vote in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall be the chairman of shareholders' meetings, and shall have the authority to represent the Company.

Article 18

In case the Chairman of the Board of Directors is on leave or cannot exercise his powers, he may designate a proxy in accordance with Article 208 of the Company Law.

Article 19

Directors shall attend the Meeting of the Board of Directors. When a Director is unable to attend any Meeting of the

Board of Directors, he may appoint another Director to attend on his behalf by written authorization, but no Director may act as proxy for more than one Director.

Article 20

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, unless otherwise regulated by the Company Act. Directors may be notified of the Board of Directors meeting via written notices, as E-mail or fax. Except as otherwise provided in the Company Act of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority or more of total Directors and resolutions shall be adopted with the concurrence of the majority or more of the Directors present at the meeting. Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting and the recorder. The minutes shall be distributed to each director within twenty (20) days after the meeting.

Article 20-1

Remuneration for directors of the Company shall be evaluated by the compensation committee according to their respective participation in operation and value of contribution, and the board of

directors is authorized to determine their remuneration according to the general standard in the same industries and the Company's business operation.

Article 20-2

The Company shall form an Audit Committee, which is composed of all Independent Directors. Details including number of members, terms, responsibilities and rule of meeting shall be stipulated separately in the Organization Rules of Audit Committee in accordance with the rules in the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies".

Section V – Management of the Company

Article 21

The Company may appoint managers. Appointment and discharge and the remuneration of the managerial personnel shall be in accordance with Article 29 of the Company Law. The scope of duties and power of managers shall be authorized by the board of directors, and The Board of Directors may authorize the Chairman to determine.

Section VI – Financial Reports

Article 22

The Company's fiscal year shall be from January 1st of each year to December 31st of the same year. After the end of each fiscal year, in accordance with the Company Act, the following reports shall be prepared by the Board of Directors, , and such documents shall be submitted to the general shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements; and
3. The surplus earning distribution or loss off-setting proposals

Article 23

If there is any profit for a specific fiscal year, the Company shall allocate no less than 2% of the profit as employee's compensation and shall allocate at a maximum of 1% of the profit as remuneration to Directors, provided that the Company's accumulated losses shall have been covered in advance. Employee's compensation may be distributed in the form of shares or in cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification. The Board of Directors is authorized to determine the qualification of such employees. The remuneration to Directors shall be paid in cash.

Article 23-1

If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders:

1. Reserve for tax payments.
2. Offset accumulated losses in previous years, if any.
3. Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal. If the distribution proposal in form of new shares to be issued by the company should submit the same to the shareholders' meeting for review and approval by a resolution; If such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the board of directors.

The Company pursuant to the provisions of Paragraph Five, Article 240 hereof, authorizes the

distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors. Or the company pursuant to the provisions of Paragraph One, Article 241 hereof, may distribute its legal reserve and the following capital reserve, in whole or in part, by cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The policy of dividend distribution should reflect factors such as sustainable development, stable growth, the interest of the shareholders, and healthy financial structure as the goal. The board of directors shall make the distribution proposal according to funding needs. The dividends to shareholders shall be distributed at no lower than 2% of distributable earnings. If the Company decides to issue dividends, cash dividends shall not be lower than 10% of the total dividends.

Section VII –Supplementary Provisions

Article 24

For matters not provided for in the Articles of Incorporation, it shall be handled in accordance with the Company Act of the Republic of China.

Article 25

These Articles of Incorporation were enacted on February 21, 2005. The first amendment was made on March 30, 2005, the second amendment was made on October 7, 2005, the third amendment was made on January 18, 2006, the fourth amendment was made on April 24, 2007, the fifth amendment was made on June 21, 2012, the sixth amendment was made on October 28, 2014, the seventh amendment was made on June 17, 2016, the eighth amendment was made on June 18, 2019, the ninth amendment was made on October 2, 2019, and the tenth amendment was made on May 31, 2023.

Appendix 3 Rules for Election of Directors

Andes Technology Corporation Rules for Election of Directors [English translation for reference only]

The amendment was approved at the Extraordinary Shareholders' Meeting held on October 2, 2019

Article 1

Unless otherwise provided for in the Company Act, Securities and Exchange Act or the Articles of Incorporation of the Company, the Directors of the Company shall be elected in accordance with the Rules specified herein.

Article 2

Election of Directors of the Company shall be held at the shareholders' meeting.

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 3

In the election of Directors of the Company, the single recorded cumulative voting system is implemented. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or be divided to vote for several persons.

Article 4

The number of directors will be as specified in this Corporation's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing 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 positions, they shall draw lots to determine the winner, with the Chairman drawing lots on behalf of any person not in attendance.

Article 5

At the beginning of the election, the Chairman shall appoint several persons each to check and record the ballots. The persons to check the ballots have to be appointed from among the shareholders present.

Article 6

The ballot box used for voting shall be prepared by the Company and be checked in public before voting by the person responsible for checking ballots.

Article 7

If the candidate is a shareholder of the Company, voters shall fill in the “candidate” column the candidate’s name and the candidate’s shareholder’s number. If the candidate is a government 54 agency or a legal entity, the full name of the government agency or the legal entity and the name(s) of their representative(s) shall be filled in the “candidate” column. If there are multiple representatives, these representatives’ names shall be filled in separately. If the candidate is not a shareholder of the Company, voters shall fill in the “candidate” column with the candidate’s name and the candidate’s ID number.

Article 8

Ballots shall be deemed void in either one of the following conditions:

- (1) Ballots not placed in the ballot box.
- (2) Ballots not prepared by the Company.
- (3) Blank ballots not completed by the voter.
- (4) If the candidate is a shareholder of the Company, the name or the shareholder’s number of the candidate filled in the ballot inconsistent with the shareholder’s register. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect.
- (5) Ballots with other written characters or symbols in addition to candidate’s name, shareholder’s number (ID number) and the number of votes cast for the candidate.
- (6) Illegible writing or being erased or changed.
- (7) The name of the candidates filled in the ballots being the same as another candidate’s name and the respective shareholder’s numbers (ID numbers) not being indicated to distinguish them.

Article 9

The voting rights shall be calculated during the meeting immediately after the vote casting and the results of the election, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the Chairman at the meeting.

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

Article 10

The Rules and any revision thereof shall become effective after approval at the shareholder’s meeting.

Appendix 4 Shareholdings of All Directors

Andes Technology Corporation Shareholdings of All Directors

1. The Company's total outstanding shares: 50,650,911
2. Total shareholdings of all Directors required by law: 4,052,072
3. As of March 26th, 2024, the cut-off date of this Shareholders' Meeting, the individual Directors and their aggregate shareholdings are listed below:

Title	Name	Date Elected	Shares	%
Chairman	Jyh-Ming Lin	2021.07.07	540,045	1.07
Director	Hong-Men Su	2021.07.07	285,329	0.56
Director	Hsiang Fa Co. Representative: Andrew Chang	2021.07.07	4,005,324	7.91
Director	National Development Fund. Representative: Herming Chiueh	2021.07.07	2,979,237	5.88
Independent Director	Chien-Kuo Yang	2021.07.07	0	0
Independent Director	Tien-Fu Chen	2021.07.07	0	0
Independent Director	Jiun-Hao Lai	2021.07.07	0	0
Holding of all Directors			7,809,935	15.42