

Listed Stock Code: 3041



ALi Corporation

**2022 General Meeting of
Shareholders**

Meeting Handbook

(TRANSLATION)

Date: 9:00 A.M., June 14, 2022

Location: No. 207, Sec. 2, Tiding Blvd., Neihu Dist.,
Taipei City
(Xuexue Institute Building)

Catalogue

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I. Meeting Procedure

1. Chairman Speech

2. Report Matters

3. Acknowledged Matters

4. Election Matters

5. Matters for Discussion

6. Extemporaneous Motions

7. Meeting Adjourned

II. Meeting Agenda

Time: 9: 00 A.M., Tuesday, June 14, 2022

Location: No. 207, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City (Xuexue Institute Building)

Meeting Method: Physical Shareholders Meeting

Procedure:

1. Chairman Speech
2. Report Matters
 - (1) 2021 Business Report
 - (2) Audit Committee's Review Report
 - (3) Report on the Implementation of 2021 Sound Business Plan
 - (4) Report on the Execution of 2021 Private Placement for Common Stocks
3. Acknowledged Matters
 - (1) 2021 Business Report and Financial Statements
 - (2) 2021 Deficit Compensation
4. Election Matters
 - (1) Election of the Directors
5. Matters for Discussion
 - (1) Suspension of the Non-Competition Restrictions on the Directors of the Company
 - (2) Private Placement for Common Stocks Cases
 - (3) Amendment to the "Articles of Association"
 - (4) Amendment to the "Procedures Governing the Acquisition and Disposition of Assets"
6. Extemporaneous Motions
7. Meeting Adjourned

Report Matters

Proposal 1

Proposal: 2021 Business Report

Explanation: Annex 1 (page 10) for 2021 Annual Business Report

Proposal 2

Proposal: Audit Committee's Review Report

Explanation: Annex 2 (page 12) for Audit Committee's Review Report

Proposal 3

Proposal: Report on the Implementation of 2021 Sound Business Plan

Explanation: In accordance with the provisions of CHIN-KUAN-CHENG-FA-TZU No. 1080329607 issued by the Financial Supervision and Administration Commission on September 5, 2019; the report is as follows:

- I. On June 11, 2019, the Company passed the resolution of the 2019 regular shareholders meeting to reduce capital to make up for its losses. After the approval of CHIN-KUAN-CHENG-FA-TZU No. 1080329607 issued by the Financial Supervision and Administration Commission on September 5, 2019, the Company reported the implementation of the sound business plan to the shareholders meeting in accordance with the provisions therefrom.
- II. Please refer to Annex 3 (page 13) for report on the sound business plan implementation in accordance with the above-mentioned provisions.

Proposal 4

Proposal: Report on the Execution of 2021 Private Placement for Common Stocks

Explanation:

- I. The board of directors of the company was authorized by the general meeting of shareholders on August 23, 2021 to increase the capital in cash and issue common stocks by means of private placement in several times within one year since date of the resolution made by the general meeting, depending on the capital demand of the company and not surpassing the common stocks quota of 29.08 million shares.
- II. The above-mentioned private placement of common stocks passed the board resolution on May 4th, 2022 and the quota uncompleted before June 13th, 2022 will not be continued since the day.

Acknowledged Matters

Proposal 1

Proposal: 2021 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation:

- I. The preparation of the Company's 2021 business report and financial statements were completed and approved by the Board of Directors. Among them, the financial statements were audited by independent auditors, CPA Hsu, Sheng-Chung and CPA Hsu, Yung-Chien with PwC Taiwan. The aforesaid financial statements together with the business report were reviewed by the Audit Committee, and the written Audit Committee's review report form is presented.
- II. Please refer to Annex 1 (page 10) and Annex 4 and 5 (pages 14-35) for 2021 business report, independent auditor's report and financial statements.
- III. Please approve accordingly.

Resolution:

Proposal 2

Proposal: 2021 Deficit Compensation (Proposed by the Board of Directors)

Explanation:

- I. The Company's 2021 net loss after-tax was NT\$ (the same below) 90,421,407, adding accumulated deficit at beginning of period of NT\$ 555,835,552, and recognized the increase of accumulated deficit in the adjustment of changes in ownership interests in subsidiaries of NT\$ 2,374,773, the accumulated deficit for this year is NT\$ 648,631,732. The company plans to use the legal reserve of NT\$ 648,631,732 to cover the deficit. After the deficit is cover, the accumulated deficit for this year is NT\$ 0, and the legal reserve will be reduced to NT\$ 1,224,955.
- II. No dividend will be distributed to shareholders this year.
- III. The table of 2021 Deficit Compensation is attached. Please approve accordingly.

ALi Corporation
Table of 2021 Deficit Compensation

	Unit: NT\$
Accumulated deficit at beginning of the period	(555,835,552)
Subtract: Net loss in 2021	(90,421,407)
Subtract: Recognized the increase of accumulated deficit in the adjustment of changes in ownership interests in subsidiaries	(2,374,773)
Accumulated losses at the end of the period	(648,631,732)
Sources to cover the losses	
Add: Legal Reserve	648,631,732
Accumulated deficit at end of the period	<u><u>0</u></u>

Chairman: Liang, Hou-Yi

Manager: Liang, Hou-Yi

Chief account: Huang, Hsing-Hui

Resolution:

Election Matters

Proposal 1

Proposal: Election of the Directors. (Proposed by the Board of Directors)

Explanation:

- I. Upon the expiration of the term of the directors of the Company, 5 directors (including 3 independent directors) will be re-elected at this annual general meeting by the resolution of the board of directors of the Company. The term of the elected directors is three years, from June 14, 2022 to June 13, 2025.
- II. The Company adopts the candidate nomination system according to the Article 192-1 of the Company Law for the election of directors. Shareholders should choose the candidates from the list of directors. Please refer to Annex 6 (page 36) for the list of directors and relevant information. Among them, Jack Qi Shu, an independent director candidate, has served as an independent director of the Company for more than three consecutive terms. Here, it is explained that Jack Qi Shu was a senior vice president of China HP, and now he is an executive vice president of Shanghai Huali Microelectronics Corporation. He has rich industrial experience, can make suggestions with objectivity and exhaustiveness, improve the decision-making quality of business strategy, and give full play to the supervision and guidance function. Therefore, the Company continues to nominate Jack Qi Shu.
- III. Propose election.

Election Result:

Matters for Discussion

Proposal 1

Proposal: Suspension of the Non-Competition Restrictions on the Directors of the Company (Proposed by the Board of Directors)

Explanation:

- I. According to Article 209, Paragraph 1 of the Company Law: If a director acts for himself/herself or others within the business scope of the company, he/she shall explain the important contents of his/her act to the shareholders' meeting and obtain its permission.
- II. If the newly elected director of the Company at the shareholders' general meeting in 2022 may invest or operate other companies with the same or similar business scope as the Company and act as a director or manager, it shall be submitted to the shareholders' meeting for approval in accordance with the law. If the newly elected director of the Company has any of the above circumstances, it shall be agreed to lift the restrictions on non-competition.
- III. For the list of non-competition restrictions to be lifted this time, please refer to Annex 7 of this manual (page 38).
- IV. All those are submitted to for a referendum

Resolution:

Proposal 2

Proposal: Private Placement for Common Stocks Cases (Proposed by the Board of Directors)

Explanation:

- I. In accordance with Article 43.6 of the Securities Exchange Act, it is proposed to increase the capital in cash and issue common stocks by means of private placement at an appropriate time, so as to facilitate the company to raise working capital when necessary in the future.
- II. The handling methods and contents are as follows:
 - (I). Issue terms:
 1. Type of private equity: common stocks
 2. Number of private equity: the total number of shares issued shall not exceed 34.132 million.
 3. Par value per share: NTD 10 dollars per share
 4. Total amount of private equity: the board of directors is authorized to make the decision according to the actual circumstances.
 - (II). Basis and rationality for stipulating the private equity price:
 1. The price of the private equity stipulated shall not be lower than 80% of the higher one of the two benchmark prices listed below on the pricing date of the company.
 - (1) Calculate the simple arithmetic mean of the closing price of the common stocks on the 1st, 3rd or 5th business days prior to the pricing date, deduct the ex-right and interest distribution of the stock grants, and add back the share price after the capital reduction and ex-right; or
 - (2) Deduct the ex-right and interest distribution of the stock grants from the simple arithmetic mean of the closing price of the common stocks 30 business days before the pricing date, and add back the share price of the capital reduction and ex-right.
 2. However, the actual pricing date and the actual issue price shall be submitted to the shareholders' meeting for authoring the board of directors to make the decision according to the aforementioned method and the circumstances of negotiating with a specific person in the future.
 - (III). Way for choosing the specific person:

The objects of private placement are limited to the strategic investors who comply with Article 43-6 of the Securities Exchange Law and T.C.Z.Y.T. No. 0910003455 Order of the Financial Supervision and Administration Commission on June 13th, 2010, can help the company upgrade technology, improve quality, reduce cost, enhance efficiency, expand market, strengthen financial structure and so on, and agree with the company's business philosophy. Negotiate with the strategic investors meeting the aforesaid requirements about the purpose, necessity and expected benefits to cope with the long-term development of the company. Assist the company to achieve the aforementioned benefits by means of the experience, knowledge, technology, access or layout of such strategic investors. The board of directors shall be fully authorized by the meeting of shareholders to handle matters related to determining specific persons.
 - (IV). Necessary reasons for handling private placement:
 1. Reasons for not adopting public offering
Consider the situation of capital market, the timeliness, feasibility, issue

cost of capital raising and the actual needs of introducing strategic investors. Since the private placement of securities is subject to transfer restrictions within a certain period of time, which can ensure the long-term cooperative relationship between the company and strategic investment partners, so the private placement, other than public offering, is adopted to issue securities.

2.Amount of private placement:

It is handled within the common stocks of 34.132 million shares.

3.Purpose of the funds and expected benefits of each private placement:

The company expects that the private placement will be handled for no more than three times within one year since the date of the resolution of the shareholders' meeting depending on the situation of the market and the negotiation with specific persons, and the funds raised in each time will be fully used to enrich the working capital. Each private placement is expected to enhance the competitiveness of the company, improve operational efficiency and strengthen the financial structure, which will be beneficial to the shareholders' equity.

(V). Rights and obligations of common stocks in this private placement:

1. The rights and obligations of common stocks in this private placement and subsequent allotment are the same as those that the company has already issued; however, according to the regulations, the shares of this private placement shall not be sold within three years since the date of this delivery, unless otherwise specified in Article 43-8 of the Securities Exchange Law.

2. Three years after the delivery date of this private placement, the board of directors will be authorized to apply to the Taiwan Stock Exchange Corporation for approval and issuance of a consent letter meeting the listing standards in accordance with relevant provisions of the Criteria for Handling the Raising and Issuance of Securities by Issuers and the Criteria for Review of the Listing of Securities by Taiwan Stock Exchange Corporation and then report to the Financial Supervision and Administration Commission for a supplementary public offering. In addition, the book-entry transfer is adopted for delivery and application for listing, without printing entity.

3. Major changes in management rights within one year prior to the resolution of the board of directors for private placement or after the introduction of strategic investors through private placement, will there be a major change in management rights: There was no major change in the management rights in the previous year as the resolution of the Board of Directors of the Company. However, when introducing strategic investors in the future, it may be considered based on the strategic cooperation or business plan of the two parties, and there is a possibility of major changes in the management rights. In order to retain this flexibility and in accordance with relevant laws and regulations, the Company has asked President Securities to issue an assessment opinion on the necessity and rationality of private placement (please refer to Annex 8, page 39), the content of the assessment opinion will be stated in the notice of the general meeting of shareholders.

III.The board of directors is authorized to handle the matters related to this private placement of common stocks according to the actual situation of the raising,

which shall not exceed three times within one year since the date of the resolution made by the shareholders' meeting. Meanwhile, no matter whether the shares have been fully raised within the one year, it is proposed that the shareholders' meeting shall authorize the board of directors to make a resolution. If the original plan is still feasible, it shall be deemed that the the stock capital for the issuance of new shares in cash through private placement has been fully collected and the raising has been completed.

- IV. The board of directors shall be authorized to determine the pricing date, actual issue price, and base date of the capital increase of the new shares to be issued in this private placement of cash.
- V. The board of directors shall be authorized to handle the issue price, issue terms, planned items and other related matters of the new shares to be issued in the private placement of cash capital increase due to changes in laws and regulations, opinions of the competent authority or market conditions.
- VI. The board of directors shall be authorized to amend other matters not covered, or changes in issue terms, planned items and other related issues due to changes in laws and regulations, opinions of the competent authority or market conditions.
- VII. All those are submitted to for a referendum.

Resolution:

Proposal 3

Proposal: Amendment to the “Articles of Association”. (Proposed by the Board of Directors)

Explanation:

- I. In line with the amendment of the Company Law and consultation with peers, it is proposed to amend parts of the Company's “Articles of Association”.
- II. Please refer to Annex 9 (page 46) for the comparison table of amendments to the “Articles of Association”.
- III. All those are submitted to for a referendum

Resolution:

Proposal 4

Proposal: Amendment to the “Procedures Governing the Acquisition and Disposition of Assets”. (Proposed by the Board of Directors)

Explanation:

- I. In line with the Financial Supervision and Management Commission to revise some articles of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, and to meet the actual management needs of the company, it is proposed to revise some articles of the Company's “Procedures Governing the Acquisition and Disposition of Assets”.
- II. Please refer to Annex 10 (page 49) for the comparison table of amendments to the “Procedures Governing the Acquisition and Disposition of Assets”.
- III. All those are submitted to for a referendum

Resolution:

Extemporaneous Motions

Meeting Adjourned

III. Annex

Annex 1

Business Report

The 2021 was the year when the Company's original business and new business are both improved, ending the losses for 22 consecutive quarters.

The Company's consolidated revenue in 2021 was NT\$ 2.815 billion, the consolidated operating net loss was NT\$ 93 million, the after-tax net loss was NT\$ 90 million, and the after-tax loss per share was NT\$ 0.47. Compared with 2020, the overall business scale in 2021 increased significantly. In addition, the production capacity and resources were carefully allocated to optimize the product mix and continuously improve the operational efficiency. The revenue scale in this year increased by 36% compared with 2020, and the net loss after tax decreased by 63% compared with 2020 years. In the third quarter of 2021, it officially turned a profit.

In the development part of this industry, the step-top box products of pay TV have gained a lot in emerging markets; Business in the African market, cooperate with key operators' customers to increase investment in the local area; South America successfully replaced the existing schemes in several markets; India's market has gained more new customers from index operators. Generally, under the double challenges of epidemic situation and supply chain, the industry has successfully built market barriers by continuously deepening the strategic cooperation relationship with upstream and downstream partners, and its market share has increased substantially. Looking forward to 2022, the start of the World Cup will bring another wave to the set-top box; The analog digital conversion in Indonesia, Italy and other countries, as well as the 5G frequency shift plan in Brazil, will also bring more regional growth opportunities for pay and retail TV set-top boxes.

In terms of new business, the Company's intelligent device product line has blossomed in 2021. Intelligent display shows that the annual shipment of multimedia streaming devices has reached a million levels; The complete chip scheme of intelligent multilingual algorithm for voice has been introduced into foreign language fans, Internet radios and other products; Intelligent household cleaning products have been officially mass-produced in the first quarter, and will develop into commercial-grade professional cleaning field in the future. Its Turnkey scheme has been adopted by OEM partners; In addition, wireless communication, as the key technology of indoor intelligent Internet of Things application, has developed into mature products. For a long time, the Company has been deeply engaged in research and development, and a number of self-developed IPs have complete property rights and clear development

layout, ranging from intelligent computing, audio and video processing, satellite communication, secure encryption, high-speed transmission, wireless communication to AI algorithm, etc. In the future, whether we expand the market map of intelligent devices or form strategic alliances with new partners to extend our tentacles to other fields, such as vehicles, audio and video, control, etc., the Company, as a platform for cultivating semiconductor applications, can provide the most competitive ecosystem solutions.

Looking forward to the future, the Company will continue to take the interests of shareholders, employee development and social responsibility as its own responsibility, take "duty, honesty, courage to think deeply, teamwork, challenge the status quo and win-win for customers" as its development belief, and pursue greater operational performance and growth breakthrough. Thank you for your support to the Company, and wish you good health and all the best.

Chairman: Liang, Hou-Yi

Audit Committee's Review Report

The Board of Directors prepared the Company's 2021 Annual Business Report, Financial Statements and Proposal on Compensation for Losses, in which the Financial Statements were audited and completed by PwC Taiwan, and the Independent Auditor's Report form is presented. The above-mentioned Business Report, Financial Statements and Proposal on Compensation for Losses have been reviewed by the Audit Committee and the information be determined to be correct and accurate. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit the above report. Please be advised accordingly.

Hereby

Shareholders' Meeting of ALi Corporation 2022

ALi Corporation

Chairman of the Audit Committee

March 24, 2022

Report on the Implementation of Sound Business Plan

The company's report on sound business plan implementation of 2021 is as follows:

Unit: NT\$ Thousands	Plan	Financial Statements	Difference	Difference ratio (%)
Operating revenue	3,011,226	2,815,374	(195,852)	7
Gross profit from operations	1,105,126	1,067,348	(37,778)	3
Operating expenses	(1,239,879)	(1,160,438)	79,441	6
Net operating (loss) profit	(134,753)	(93,090)	41,663	31
Non-operating income and expenses	48,000	13,814	(34,186)	71
Net (loss) profit before tax	(86,753)	(79,276)	7,477	9
Current net (loss) profit	(69,402)	(89,650)	(20,248)	29

* : The company submitted the report to the Financial Supervision and Administration Commission of the Executive Yuan for review on June 23, 2020.

The descriptions are as follows:

The Company's operating income and gross profit in 2021 were NT\$ 2,815,374 thousand and NT\$ 1,067,348 thousand respectively, compared with the sound operation plan, the difference amounts were NT\$ 195,852 thousand and NT\$ 37,778 thousand respectively, mainly due to the limited production capacity, and the supply side could not fully meet the order demand, resulting in the revenue and gross profit being lower than the estimated amount.

However, with continuous efforts to optimize resource allocation and improve operational efficiency, the operating expenses in 2021 were still reduced by NT\$ 79,441 thousand compared with the plan, and the non-operating income and expenditure could not be realized due to the adjustment of some project subsidies due to the plan, as a result, the actual amount decreased by NT\$ 34,186 thousand compared with the planned amount, resulting in the company's 2021 net operating loss and pre-tax net loss of NT\$ 93,090 thousand and NT\$ 79,276 thousand respectively, both of which were better than the planned amount of sound operation. Overall, the Company's operation in 2021 was affected by unexpected factors, but the Company continued to increase its market share, accelerated the pace of transformation of new technologies and new products at a prudent pace, and decided to move towards a positive cycle of turning losses into profits.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of ALi Corporation

Opinion

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

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Existence of operating revenue from overseas distributors

Description

Refer to Note 4(30) for the accounting policy on revenue recognition and Note 6(20) for details of sales revenue.

The Group recognised net operating revenue amounting to NT\$2,815,374 thousand for the year ended December 31, 2021. The Group derives revenue mainly from the research, development, design and sale of chipsets for communication, consumer and multimedia products and a range of application specific integrated circuits. Operating revenue thereof is concentrated on the top ten customers, of which some customers are overseas IC distributors and proportion of sales from those types of customers to total sales continues to grow. Given that the impact of pressure from the business growth and competition in the industry on the Group might increase the risks related to the existence of operating revenue recognition, we consider the existence of operating revenue from the top ten overseas distributors with significant growth a key audit matter.

How our audit addressed the matter

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

1. Assessed and tested the effectiveness of design and implementation of internal controls in relation to existence of sales revenue.
2. Selected samples to perform substantive tests, including verifying sales transactions against customer purchase orders, evidence of sales transactions and receipt vouchers.
3. Obtained and reviewed details of sales revenue, refunds and allowances during a certain period before and after the balance sheet date, and selected samples and verified it against the original documents of sales revenue, refunds and allowances, and assessed whether there are any material or unusual transactions or material refunds after the balance sheet date to ascertain that the recognition of sales revenue meets the requirements for revenue recognition.

Other matter – Prior period financial statements audited by another auditor

The consolidated financial statements of the Group for the year ended December 31, 2020, were audited by another auditor who expressed an unqualified opinion on those statements on March 2, 2021.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of ALi Corporation as at and for the years ended December 31, 2021.

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

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

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

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

Auditor's 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 auditor's 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 ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Hsu, Sheng-Chung

Hsu, Yung-Chien

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 24, 2022

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

ALI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 739,932	19	\$ 834,854	22
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	27,601	1
1136	Financial assets at amortised cost— current	6(3)	505,500	13	567,100	15
1170	Accounts receivable, net	6(4)	337,962	9	194,234	5
1200	Other receivables	6(6)	131,114	3	110,238	3
1220	Current tax assets		1,788	-	1,389	-
130X	Inventories	6(7)	370,017	10	334,546	9
1470	Other current assets		64,715	2	60,876	1
11XX	Total current assets		<u>2,151,028</u>	<u>56</u>	<u>2,130,838</u>	<u>56</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	157,302	4	83,789	2
1535	Financial assets at amortised cost - non-current	6(3)	5,000	-	5,000	-
1550	Investments accounted for using the equity method	6(8)	17,422	1	17,504	-
1600	Property, plant and equipment	6(9)	358,796	10	346,737	9
1755	Right-of-use assets	6(10)	14,292	-	20,338	1
1760	Investment property, net	6(11)	239,857	6	241,579	6
1780	Intangible assets	6(12)	135,657	4	174,697	5
1840	Deferred tax assets	6(24)	700,665	18	708,114	19
1920	Guarantee deposits paid		6,297	-	5,736	-
1990	Other non-current assets, others		23,055	1	69,941	2
15XX	Total non-current assets		<u>1,658,343</u>	<u>44</u>	<u>1,673,435</u>	<u>44</u>
1XXX	Total assets		<u>\$ 3,809,371</u>	<u>100</u>	<u>\$ 3,804,273</u>	<u>100</u>

(Continued)

ALI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Contract liabilities - current	6(20)	\$ 6,671	-	\$ 6,292	-
2170	Accounts payable		347,171	9	247,029	7
2200	Other payables	6(13)	311,340	8	387,380	10
2230	Current income tax liabilities		5,784	-	3,189	-
2250	Provisions - current		1,739	-	1,946	-
2280	Lease liabilities - current		10,685	1	11,351	-
2300	Other current liabilities	6(20)	20,760	1	33,402	1
21XX	Total current liabilities		<u>704,150</u>	<u>19</u>	<u>690,589</u>	<u>18</u>
Non-current liabilities						
2570	Deferred tax liabilities	6(24)	3,381	-	2,429	-
2580	Lease liabilities - non-current		4,276	-	9,625	1
2645	Guarantee deposits received		2,596	-	2,551	-
25XX	Total non-current liabilities		<u>10,253</u>	<u>-</u>	<u>14,605</u>	<u>1</u>
2XXX	Total liabilities		<u>714,403</u>	<u>19</u>	<u>705,194</u>	<u>19</u>
Equity						
Equity attributable to owners of parent						
Share capital		6(16)				
3110	Ordinary share		1,934,499	51	1,945,399	51
3140	Advance receipts for ordinary share		2,100	-	-	-
3200	Capital surplus	6(17)	1,194,813	31	1,182,030	31
Retained earnings		6(18)				
3310	Legal reserve		649,857	17	649,857	17
3350	Accumulated deficit		(648,631)	(17)	(555,835)	(15)
3400	Other equity interest	6(19)	(4,695)	-	(19,899)	-
3500	Treasury shares	6(16)	(33,845)	(1)	(102,544)	(3)
31XX	Equity attributable to owners of parent		<u>3,094,098</u>	<u>81</u>	<u>3,099,008</u>	<u>81</u>
36XX	Non-controlling interests		<u>870</u>	<u>-</u>	<u>71</u>	<u>-</u>
3XXX	Total equity		<u>3,094,968</u>	<u>81</u>	<u>3,099,079</u>	<u>81</u>
Commitments and contingent liabilities		9				
Significant subsequent events		11				
3X2X	Total liabilities and equity		<u>\$ 3,809,371</u>	<u>100</u>	<u>\$ 3,804,273</u>	<u>100</u>

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

ALI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for loss per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20)	\$ 2,815,374	100	\$ 2,071,615	100
5000	Operating costs	6(7)(22)	(1,748,026)	(62)	(1,413,905)	(68)
5900	Gross loss		<u>1,067,348</u>	<u>38</u>	<u>657,710</u>	<u>32</u>
	Operating expenses	6(22)				
6100	Selling expenses		(98,447)	(3)	(94,086)	(5)
6200	General and administrative expenses		(217,644)	(8)	(217,066)	(10)
6300	Research and development expenses		(844,569)	(30)	(714,317)	(35)
6450	Impairment gain determined in accordance with IFRS 9	12(2)	<u>222</u>	<u>-</u>	<u>12,407</u>	<u>1</u>
6000	Total operating expenses		<u>(1,160,438)</u>	<u>(41)</u>	<u>(1,013,062)</u>	<u>(49)</u>
6900	Net operating loss		<u>(93,090)</u>	<u>(3)</u>	<u>(355,352)</u>	<u>(17)</u>
	Non-operating income and expenses					
7100	Interest income		6,678	-	10,089	1
7010	Other income	6(11)	24,606	1	39,531	2
7020	Other gains and losses	6(21)	(16,669)	(1)	10,082	-
7050	Finance costs		(851)	-	(602)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(8)	<u>50</u>	<u>-</u>	<u>49</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>13,814</u>	<u>-</u>	<u>59,149</u>	<u>3</u>
7900	Loss before tax		<u>(79,276)</u>	<u>(3)</u>	<u>(296,203)</u>	<u>(14)</u>
7950	Income tax (expense) benefit	6(24)	<u>(10,374)</u>	<u>-</u>	<u>55,246</u>	<u>2</u>
8200	Loss for the year		<u><u>(\$ 89,650)</u></u>	<u><u>(3)</u></u>	<u><u>(\$ 240,957)</u></u>	<u><u>(12)</u></u>
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		\$ 2,583	-	\$ 12,640	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(24)	<u>(517)</u>	<u>-</u>	<u>(2,531)</u>	<u>-</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>2,066</u>	<u>-</u>	<u>10,109</u>	<u>1</u>
8500	Total comprehensive income for the year		<u><u>(\$ 87,584)</u></u>	<u><u>(3)</u></u>	<u><u>(\$ 230,848)</u></u>	<u><u>(11)</u></u>
	Income (loss) attributable to:					
8610	Owners of the parent		<u>(\$ 90,421)</u>	<u>(3)</u>	<u>(\$ 238,851)</u>	<u>(12)</u>
8620	Non-controlling interest		<u>771</u>	<u>-</u>	<u>(2,106)</u>	<u>-</u>
			<u><u>(\$ 89,650)</u></u>	<u><u>(3)</u></u>	<u><u>(\$ 240,957)</u></u>	<u><u>(12)</u></u>
	Comprehensive (loss) income attributable to:					
8710	Owners of the parent		<u>(\$ 88,356)</u>	<u>(3)</u>	<u>(\$ 228,730)</u>	<u>(11)</u>
8720	Non-controlling interest		<u>772</u>	<u>-</u>	<u>(2,118)</u>	<u>-</u>
			<u><u>(\$ 87,584)</u></u>	<u><u>(3)</u></u>	<u><u>(\$ 230,848)</u></u>	<u><u>(11)</u></u>
	Basic loss per share	6(25)				
9750	Basic loss per share		<u><u>(\$ 0.47)</u></u>		<u><u>(\$ 1.26)</u></u>	
	Diluted loss per share					
9850	Diluted loss per share		<u><u>(\$ 0.47)</u></u>		<u><u>(\$ 1.26)</u></u>	

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

ALI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											
	Capital			Retained Earnings			Other equity interest			Non-controlling interests	Total equity	
	Notes	Ordinary share	Advance receipts for share capital	Capital surplus	Legal reserve	Accumulated deficit	Financial statements translation differences of foreign operations	Unearned compensation	Treasury shares			Total
<u>2020</u>												
Balance at January 1, 2020		\$ 1,925,399	\$ -	\$ 1,160,172	\$ 649,857	(\$ 316,984)	(\$ 13,432)	\$ -	(\$ 72,466)	\$ 3,332,546	\$ 2,189	\$ 3,334,735
Loss for the year		-	-	-	-	(238,851)	-	-	-	(238,851)	(2,106)	(240,957)
Other comprehensive income (loss)		-	-	-	-	-	10,121	-	-	10,121	(12)	10,109
Total comprehensive income		-	-	-	-	(238,851)	10,121	-	-	(228,730)	(2,118)	(230,848)
Purchase of treasury shares	6(16)	-	-	-	-	-	-	-	(30,078)	(30,078)	-	(30,078)
Issuance of employee restricted stocks	6(17)	20,000	-	213	-	-	-	(20,213)	-	-	-	-
Share-based payments	6(15)(17)	-	-	21,645	-	-	-	3,625	-	25,270	-	25,270
Balance at December 31, 2020		<u>\$ 1,945,399</u>	<u>\$ -</u>	<u>\$ 1,182,030</u>	<u>\$ 649,857</u>	<u>(\$ 555,835)</u>	<u>(\$ 3,311)</u>	<u>(\$ 16,588)</u>	<u>(\$ 102,544)</u>	<u>\$ 3,099,008</u>	<u>\$ 71</u>	<u>\$ 3,099,079</u>
<u>2021</u>												
Balance at January 1, 2021		\$ 1,945,399	\$ -	\$ 1,182,030	\$ 649,857	(\$ 555,835)	(\$ 3,311)	(\$ 16,588)	(\$ 102,544)	\$ 3,099,008	\$ 71	\$ 3,099,079
(Loss) income for the year		-	-	-	-	(90,421)	-	-	-	(90,421)	771	(89,650)
Other comprehensive income		-	-	-	-	-	2,065	-	-	2,065	1	2,066
Total comprehensive income		-	-	-	-	(90,421)	2,065	-	-	(88,356)	772	(87,584)
Treasury shares transferred to employees	6(16)(17)	-	-	3,811	-	-	-	-	68,699	72,510	-	72,510
Share-based payments	6(15)(17)	-	-	7,815	-	-	-	13,139	-	20,954	-	20,954
Retirement of employee restricted stocks	6(16)(17)	(10,900)	-	10,900	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	6(17)	-	-	(11,386)	-	(2,375)	-	-	-	(13,761)	27	(13,734)
Exercise of employee stock options	6(16)(17)	-	2,100	1,643	-	-	-	-	-	3,743	-	3,743
Balance at December 31, 2021		<u>\$ 1,934,499</u>	<u>\$ 2,100</u>	<u>\$ 1,194,813</u>	<u>\$ 649,857</u>	<u>(\$ 648,631)</u>	<u>(\$ 1,246)</u>	<u>(\$ 3,449)</u>	<u>(\$ 33,845)</u>	<u>\$ 3,094,098</u>	<u>\$ 870</u>	<u>\$ 3,094,968</u>

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

ALI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 79,276)	(\$ 296,203)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(22)	36,946	34,378
Amortisation expense	6(22)	102,659	96,766
Expected credit gain	12(2)	(222)	(12,407)
Unrealised loss (gain) on financial assets or liabilities at fair value through profit or loss	6(21)	3,537	(13,711)
Finance costs		851	602
Interest income		(6,678)	(10,089)
Dividend income		(115)	(90)
Share-based payments	6(15)	20,954	25,270
Share of profit of associates and joint ventures accounted for using equity method	6(8)	(50)	(49)
Loss (gain) on disposal of property, plan and equipment		9	(407)
Loss on disposal of subsidiaries	6(21)	9,340	-
Unrealized foreign exchange gain		(2,224)	(1,785)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities mandatorily measured at fair value through profit or loss, mandatorily measured at fair value		(76)	-
Accounts receivable		(143,506)	33,323
Other receivables		(20,953)	14,332
Inventories		(35,490)	130,309
Prepayments		42,909	2,116
Changes in operating liabilities			
Contract liabilities		377	(33,025)
Accounts payable		100,191	50,181
Other payables		(55,628)	(33,365)
Provisions for liabilities		(207)	760
Other current liabilities		(12,640)	11,537
Cash outflow generated from operations		(39,292)	(290,839)
Interest received		6,678	10,089
Dividends received		115	90
Interest paid		(851)	(602)
Income taxes refund (paid)		227	(2,056)
Net cash flows used in operating activities		(33,123)	(283,318)

(Continued)

ALI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 39,600)	(\$ 153,500)
Proceeds from disposal of financial assets at amortised cost		101,200	97,840
Acquisition of financial assets at fair value through profit or loss		(595,941)	(1,560,305)
Proceeds from disposal of financial assets at fair value through profit or loss		531,550	1,548,872
Proceeds from capital reduction of financial assets at fair value through profit or loss	6(2)	14,591	-
Acquisition of property, plant and equipment	6(27)	(33,088)	(20,557)
Proceeds from disposal of intangible assets		-	433
Acquisition of intangible assets	6(27)	(82,066)	(103,448)
(Increase) decrease in refundable deposits		(589)	2,549
Net cash flows used in investing activities		(103,943)	(188,116)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in guarantee deposits received		45	253
Payments of lease liabilities		(15,055)	(12,002)
Exercise of employee share options	6(16)	3,743	-
Payments to acquire treasury shares	6(16)	-	(30,078)
Treasury shares transferred to employees	6(16)(17)	72,510	-
Acquisition of ownership interests in subsidiaries	6(26)	(13,734)	-
Net cash flows from (used in) financing activities		47,509	(41,827)
Effect of exchange rate changes on cash and cash equivalents		(5,365)	12,386
Net decrease in cash and cash equivalents		(94,922)	(500,875)
Cash and cash equivalents at beginning of year		834,854	1,335,729
Cash and cash equivalents at end of year		\$ 739,932	\$ 834,854

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of ALi Corporation

Opinion

We have audited the accompanying parent company only balance sheets of ALi Corporation (the “Company”) as at December 31, 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor’s 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 Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s 2021 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, we do not provide a separate opinion on these matters.

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

Existence of operating revenue from overseas distributors

Description

Refer to Note 4(29) for the accounting policy on revenue recognition and Note 6(20) for details of sales revenue.

The Company recognised net operating revenue amounting to NT\$2,746,626 thousand for the year ended December 31, 2021. The Company derives revenue mainly from the research, development, design and sale of chipsets for communication, consumer and multimedia products and a range of application specific integrated circuits. Operating revenue thereof is concentrated on the top ten customers, of which some customers are overseas IC distributors and proportion of sales from those types of customers to total sales continues to grow. Given that the impact of pressure from the business growth and competition in the industry on the Company might increase the risks related to the existence of operating revenue recognition, we consider the existence of operating revenue from the top ten overseas distributors with significant growth a key audit matter.

How our audit addressed the matter

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

1. Assessed and tested the effectiveness of design and implementation of internal controls in relation to existence of sales revenue.
2. Selected samples to perform substantive tests, including verifying sales transactions against customer purchase orders, evidence of sales transactions and receipt vouchers.
3. Obtained and reviewed details of sales revenue, refunds and allowances during a certain period before and after the balance sheet date, and selected samples and verified it against the original documents of sales revenue, refunds and allowances, and assessed whether there are any material or unusual transactions or material refunds after the balance sheet date to ascertain that the recognition of sales revenue meets the requirements for revenue recognition.

Other matter – Prior period financial statements audited by another auditor

The parent company only financial statements of the Company for the year ended December 31, 2020, were audited by another auditor who expressed an unqualified opinion on those statements on March 2, 2021.

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

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

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

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

Auditor's 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 auditor's 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 ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Hsu, Sheng-Chung

Hsu, Yung-Chien

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 24, 2022

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

ALI CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 123,743	3	\$ 248,592	7
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	27,601	1
1136	Financial assets at amortised cost— current	6(3)	505,500	13	567,100	15
1170	Accounts receivable, net	6(4)	337,962	9	194,234	5
1180	Accounts receivable-related parties	7	-	-	88,572	2
1200	Other receivables	6(6)&7	127,096	4	107,049	3
1220	Current tax assets		1,788	-	1,371	-
130X	Inventories	6(7)	365,938	10	331,754	9
1470	Other current assets		46,411	1	50,041	1
11XX	Total current assets		<u>1,508,438</u>	<u>40</u>	<u>1,616,314</u>	<u>43</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	119,601	3	20,310	1
1535	Financial assets at amortised cost - non-current	6(3)	5,000	-	5,000	-
1550	Investments accounted for using the equity method	6(8)	736,052	19	573,029	15
1600	Property, plant and equipment	6(9)	342,645	9	335,736	9
1755	Right-of-use assets	6(10)	3,009	-	8,471	-
1760	Investment property, net	6(11)	239,857	6	241,579	6
1780	Intangible assets	6(12)	134,462	4	172,922	5
1840	Deferred tax assets	6(24)	700,511	18	707,345	19
1920	Guarantee deposits paid		3,242	-	3,236	-
1990	Other non-current assets, others		22,409	1	64,750	2
15XX	Total non-current assets		<u>2,306,788</u>	<u>60</u>	<u>2,132,378</u>	<u>57</u>
1XXX	Total assets		<u>\$ 3,815,226</u>	<u>100</u>	<u>\$ 3,748,692</u>	<u>100</u>

(Continued)

ALI CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2130	Contract liabilities - current	6(20)	\$ 6,541	-	\$ 6,290	-
2170	Accounts payable		340,562	9	239,858	6
2200	Other payables	6(13)	272,959	7	292,964	8
2220	Other payables-related parties	7	73,724	2	61,481	2
2250	Provisions - current		1,739	-	1,946	-
2280	Lease liabilities - current		1,970	-	5,584	-
2300	Other current liabilities	6(20)	18,997	1	33,372	1
21XX	Total current liabilities		<u>716,492</u>	<u>19</u>	<u>641,495</u>	<u>17</u>
Non-current liabilities						
2570	Deferred tax liabilities	6(24)	801	-	2,429	-
2580	Lease liabilities - non-current		1,239	-	3,210	-
2645	Guarantee deposits received		<u>2,596</u>	<u>-</u>	<u>2,550</u>	<u>-</u>
25XX	Total non-current liabilities		<u>4,636</u>	<u>-</u>	<u>8,189</u>	<u>-</u>
2XXX	Total liabilities		<u>721,128</u>	<u>19</u>	<u>649,684</u>	<u>17</u>
Equity						
Share capital						
		6(16)				
3110	Ordinary share		1,934,499	51	1,945,399	52
3140	Advance receipts for ordinary share		2,100	-	-	-
3200	Capital surplus	6(17)	1,194,813	31	1,182,030	32
Retained earnings						
		6(18)				
3310	Legal reserve		649,857	17	649,857	18
3350	Accumulated deficit		(648,631)	(17)	(555,835)	(15)
3400	Other equity interest	6(19)	(4,695)	-	(19,899)	(1)
3500	Treasury shares	6(16)	(33,845)	(1)	(102,544)	(3)
3XXX	Total equity		<u>3,094,098</u>	<u>81</u>	<u>3,099,008</u>	<u>83</u>
Commitments and contingent liabilities						
		9				
Significant subsequent events						
		11				
3X2X	Total liabilities and equity		<u>\$ 3,815,226</u>	<u>100</u>	<u>\$ 3,748,692</u>	<u>100</u>

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

ALI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for loss per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20)	\$ 2,746,626	100	\$ 2,080,261	100
5000	Operating costs	6(7)(22)	(1,708,123)	(62)	(1,367,960)	(66)
5900	Gross Margin		1,038,503	38	712,301	34
5910	Unrealized sales profit		-	-	(77,814)	(3)
5920	Realized sales profit		7,802	-	1,925	-
5950	Gross Margin-net		1,046,305	38	636,412	31
	Operating expenses	6(22)				
6100	Selling expenses		(76,478)	(3)	(73,501)	(4)
6200	General and administrative expenses		(195,497)	(7)	(203,425)	(10)
6300	Research and development expenses		(906,518)	(33)	(744,342)	(36)
6450	Impairment gain determined in accordance with IFRS 9	12(2)	222	-	12,407	1
6000	Total operating expenses		(1,178,271)	(43)	(1,008,861)	(49)
6900	Net operating loss		(131,966)	(3)	(372,449)	(18)
	Non-operating income and expenses					
7100	Interest income		5,753	-	7,576	1
7010	Other income	6(11)	20,381	1	31,735	2
7020	Other gains and losses	6(21)	(5,100)	-	2,586	-
7050	Finance costs		(134)	-	(180)	-
7070	Share of profit of associates and joint ventures accounted for using equity method	6(8)	25,334	1	25,720	1
7000	Total non-operating income and expenses		46,234	2	67,437	4
7900	Loss before tax		(85,732)	(3)	(305,012)	(14)
7950	Income tax (expense) benefit	6(24)	(4,689)	-	66,161	3
8200	Loss for the year		(\$ 90,421)	(3)	(\$ 238,851)	(11)
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		\$ 2,582	-	\$ 12,652	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(24)	(517)	-	(2,531)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		2,065	-	10,121	-
8500	Total comprehensive income for the year		(\$ 88,356)	(3)	(\$ 228,730)	(11)
	Basic loss per share	6(25)				
9750	Basic loss per share		(\$ 0.47)		(\$ 1.26)	
9850	Diluted loss per share		(\$ 0.47)		(\$ 1.26)	

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

ALI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital		Retained Earnings		Other equity interest			Total equity	
		Ordinary share	Advance receipts for share capital	Capital surplus	Legal reserve	Accumulated deficit	Financial statements translation differences of foreign operations	Unearned compensation		Treasury shares
<u>2020</u>										
Balance at January 1, 2020		\$ 1,925,399	\$ -	\$ 1,160,172	\$ 649,857	(\$ 316,984)	(\$ 13,432)	\$ -	(\$ 72,466)	\$ 3,332,546
Loss for the year		-	-	-	-	(238,851)	-	-	-	(238,851)
Other comprehensive income (loss)		-	-	-	-	-	10,121	-	-	10,121
Total comprehensive income		-	-	-	-	(238,851)	10,121	-	-	(228,730)
Purchase of treasury shares	6(16)	-	-	-	-	-	-	-	(30,078)	(30,078)
Issuance of employee restricted stocks	6(17)	20,000	-	213	-	-	-	(20,213)	-	-
Share-based payments	6(15)(17)	-	-	21,645	-	-	-	3,625	-	25,270
Balance at December 31, 2020		\$ 1,945,399	\$ -	\$ 1,182,030	\$ 649,857	(\$ 555,835)	(\$ 3,311)	(\$ 16,588)	(\$ 102,544)	\$ 3,099,008
<u>2021</u>										
Balance at January 1, 2021		\$ 1,945,399	\$ -	\$ 1,182,030	\$ 649,857	(\$ 555,835)	(\$ 3,311)	(\$ 16,588)	(\$ 102,544)	\$ 3,099,008
(Loss) income for the year		-	-	-	-	(90,421)	-	-	-	(90,421)
Other comprehensive income		-	-	-	-	-	2,065	-	-	2,065
Total comprehensive income		-	-	-	-	(90,421)	2,065	-	-	(88,356)
Treasury shares transferred to employees	6(16)(17)	-	-	3,811	-	-	-	-	68,699	72,510
Share-based payments	6(15)(17)	-	-	7,815	-	-	-	13,139	-	20,954
Retirement of employee restricted stocks	6(16)(17)	(10,900)	-	10,900	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	6(17)	-	-	(11,386)	-	(2,375)	-	-	-	(13,761)
Exercise of employee stock options	6(16)(17)	-	2,100	1,643	-	-	-	-	-	3,743
Balance at December 31, 2021		\$ 1,934,499	\$ 2,100	\$ 1,194,813	\$ 649,857	(\$ 648,631)	(\$ 1,246)	(\$ 3,449)	(\$ 33,845)	\$ 3,094,098

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

ALI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 85,732)	(\$ 305,012)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(22)	20,904	21,144
Amortisation expense	6(22)	101,943	96,445
Expected credit gain	12(2)	(222)	(12,407)
Unrealised loss (gain) on financial assets or liabilities at fair value through profit or loss	6(21)	(6,892)	(2,203)
Finance costs		134	180
Interest income		(5,753)	(7,576)
Dividend income		(115)	(90)
Share-based payments	6(15)	20,954	25,270
Share of profit of associates and joint ventures accounted for using equity method		(25,334)	(25,270)
Loss (gain) on disposal of property, plan and equipment		-	(409)
Loss on disposal of subsidiaries	6(21)	9,340	-
Unrealized foreign exchange gain		(7,802)	75,889
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities mandatorily measured at fair value through profit or loss, mandatorily measured at fair value		(77)	-
Accounts receivable		(143,506)	33,212
Accounts receivable-related parties		88,572	(88,572)
Other receivables		(19,329)	(11,957)
Inventories		(34,184)	(135,635)
Prepayments		45,971	13,849
Changes in operating liabilities			
Contract liabilities		251	(33,027)
Accounts payable		100,704	49,517
Other payables		(625)	(23,286)
Other payables-related parties		12,243	(12,745)
Provisions for liabilities		(207)	760
Other current liabilities		(14,375)	13,745
Cash inflow (outflow) generated from operations		56,863	(328,628)
Interest received		5,753	7,576
Dividends received		115	90
Interest paid		(134)	(180)
Income taxes refund (paid)		(416)	1,154
Net cash flows used in operating activities		(62,181)	(319,988)

(Continued)

ALI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 39,600)	(\$ 153,500)
Proceeds from disposal of financial assets at amortised cost		101,200	76,450
Acquisition of financial assets at fair value through profit or loss		(465,367)	(1,273,678)
Proceeds from disposal of financial assets at fair value through profit or loss		400,646	1,261,173
Acquisition of investment using equity method		(165,899)	-
Proceeds from capital reduction of invested company using equity method		14,774	105,707
Acquisition of property, plant and equipment	6(26)	(21,426)	(15,879)
Proceeds from disposal of property, plant and equipment		-	425
Acquisition of intangible assets	6(27)	(82,066)	(101,709)
(Increase) decrease in refundable deposits		(6)	21
Net cash flows used in investing activities		(257,744)	(100,990)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in guarantee deposits received		46	252
Payments of lease liabilities		(5,585)	(4,146)
Exercise of employee share options	6(16)	3,743	-
Payments to acquire treasury shares	6(16)	-	(30,078)
Treasury shares transferred to employees	6(16)(17)	72,510	-
Net cash flows from (used in) financing activities		70,714	(33,972)
Net decrease in cash and cash equivalents		(124,849)	(454,950)
Cash and cash equivalents at beginning of year		248,592	703,542
Cash and cash equivalents at end of year		\$ 123,743	\$ 248,592

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

Annex 6

List of Candidates for Directors (including Independent Directors)

Type	Name	Education	Experience	Present Job
Directors	Hsiao, Chung-ho	National Chengchi University MBA	<ul style="list-style-type: none"> ● Founder of Mosel Vitelic Inc. ● Senior Partner of Yongwei Financial Consultants 	<ul style="list-style-type: none"> ● Director of ALi Corporation ● Chairman of Liangxin Finance Co., Ltd. ● Director of Sciencetech Corporation ● Director of SYSTEX Corporation
Directors	Liang, Hou-Yi	University of Southern California MBA / National Taiwan University EMBA (Accounting)	<ul style="list-style-type: none"> ● CFO of Nephos (Taiwan) Inc. ● Director of Investor Relations of Mediatek ● CFO of ALi Corporation 	<ul style="list-style-type: none"> ● Chairman and CEO of ALi Corporation
Independent Directors	Jack Qi Shu (Shu, Qi)	Manhattan College, Master of Science	<ul style="list-style-type: none"> ● Hewlett-Packard Co., Ltd., Senior Vice President of China ● Schmidt & Co., (China) Limited, General Manager of Electronics Division 	<ul style="list-style-type: none"> ● Independent Directors of ALi Corporation ● Executive Vice President of HLMC
Independent Directors	Huang, Ta-Lun	University of Michigan-Ann Arbor, MBA	<ul style="list-style-type: none"> ● Chairman of Global Communication Semiconductors, LLC 	<ul style="list-style-type: none"> ● Independent Directors of ALi Corporation ● Chairman of Global Communication Semiconductors, LLC ● Independent Director of Mikobeaute International Co., Ltd ● Independent Director of Egis Technology Inc. ● Legal Representative Director of GCS Device Technologies, Co., Ltd. ● Director of Amulaire Thermal Technology, Inc. ● Director of Parade Technologies, Ltd. ● Director of Tcera Co., Ltd. ● Director of InnoCare Optoelectronics Corp.
Independent Directors	Tsai, Jung-Tung	Indiana University, MBA	<ul style="list-style-type: none"> ● General Manager of TC Bank ● General Manager of Taishin Bank 	<ul style="list-style-type: none"> ● Independent Directors of ALi Corporation ● Independent Directors of Mercuries Life Insurance ● Independent Directors of Elite Material Co. Ltd. ● Legal Representative Director of Chang Wah Technology Co., Ltd. ● Legal Representative Director of Gold Circuit Electronics Ltd.

Type	Name	Whether the candidates have served as an independent director for three consecutive terms	Reasons for continuing to nominate Independent Directors for three consecutive terms
Directors	Hsiao, Chung-ho	N/A	N/A
Directors	Liang, Hou-Yi	N/A	N/A
Independent Directors	Jack Qi Shu (Shu Qi)	Yes	Mr. Shu Qi has rich experience in the industry and can provide both objective and comprehensive suggestions to the Company, and give full play to the supervision and guidance function for improving the decision-making quality of business strategies.
Independent Directors	Huang, Ta-Lun	No	N/A
Independent Directors	Tsai, Jung-Tung	No	N/A

Proposed Suspension of Non-Compete Restriction List for Directors

Type	Name	Concurrently Hold Positions in other Companies/Organizations
Directors	Hsiao, Chung-ho	<ul style="list-style-type: none"> ● Chairman of Liangxin Finance Co., Ltd. ● Director of Sciencetech Corporation ● Director of SYSTEX Corporation
Independent Directors	Jack Qi Shu (Shu Qi)	<ul style="list-style-type: none"> ● Executive Vice President of HLMC
Independent Directors	Huang, Ta-Lun	<ul style="list-style-type: none"> ● Chairman of Global Communication Semiconductors, LLC ● Independent Director of Mikobeaute International Co., Ltd ● Independent Director of Egis Technology Inc. ● Legal Representative Director of GCS Device Technologies, Co., Ltd. ● Director of Amulaire Thermal Technology, Inc. ● Director of Parade Technologies, Ltd. ● Director of Tcera Co., Ltd. ● Director of InnoCare Optoelectronics Corp.
Independent Directors	Tsai, Jung-Tung	<ul style="list-style-type: none"> ● Independent Directors of Mercuries Life Insurance ● Independent Directors of Elite Material Co. Ltd. ● Legal Representative Director of Chang Wah Technology Co., Ltd. ● Legal Representative Director of Gold Circuit Electronics Ltd.

ALi Corporation

Handle private placement of domestic common stocks in 2022

**And the securities underwriter's evaluation opinions on
rationality and necessity.**

May 4 , 2022

ALi Corporation

Evaluation Opinion of Securities Underwriters Handling Private Placement of Domestic Common stocks in 2022

I. Preface

Because ALi Corporation. (hereinafter referred to as "the Company" or "ALi") intends to handle the 2022 annual private placement of domestic cash to increase capital and issue common shares (hereinafter referred to as the private placement case) in accordance with Article 43-6 of the Securities and Exchange Act in order to enrich its working capital and meet the capital needs of future development, the company plans to convene a board meeting on May 4, 2022 to resolve the private placement of common shares. According to the contents of the resolution of the board of directors, the private placement limit is no more than 34,132,000 shares, and it shall be handled no more than three times within one year from the date of the resolution of the shareholders' general meeting this year. The private placement price shall be no less than 80% of the reference price as the basis for setting the private placement price, and the selection method of the specific person shall be limited to the specific person who complies with Article 43-6 of the Securities and Exchange Act.

In addition, according to the Financial Supervisory Commission's "Precautions for Private Placement of Securities by Public Companies", if the board of directors decides to handle private placement of securities within one year before the delivery date of the private placement of securities, or after the private placement of strategic investors, it will cause significant changes in the management rights, it shall consult the securities underwriter to issue an evaluation opinion on the necessity and rationality of private placement, and record it in the notice of the shareholders' meeting, as a reference for shareholders' approval. The Company plans to conduct a private placement of 34,132,000 shares this time. Considering that if a single fundraiser participates in this private placement, it will not be ruled out in the future that the board members will change due to the change of shareholder structure, and there may be a change in management rights. Therefore, the company appoints this securities underwriter to issue an evaluation opinion on the necessity and rationality of this private placement.

The content of this comment is only used as a reference for the resolution of this private placement by the board of directors and shareholders' meeting of ALi in 2022, and can be used for other purposes. The comment is issued based on the financial information provided by ALi and its announcement information in the MOPS. This securities underwriter shall bear any legal responsibility for any

change in the content of comment due to the change of the Company's private placement plan or other events.

II. Evaluation opinions of underwriters

(I) Legal suitability evaluation

The Company's financial report in 2021 audited and certified by an accountant showed that the net after-tax loss was NT\$ 89,650 thousand, it is not subject to the restriction stipulated in Article 3 of "Notes" that a public company may not conduct private placement of securities in the latest year if it is a net profit after tax and has no accumulated losses. After reviewing the contents of the discussion of the board of directors of the Company on May 4, 2022, the private placement case is limited to the specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act, and still meet the requirements of "matters needing attention".

(II) General Information of ALi Cooperation

ALi Corporation was established in June, 1993 and listed in August, 2002. Mainly engaged in the design, research, development, design, production, manufacturing, testing, sales, etc. of system chipsets related to communication, consumption, multimedia chipsets and various special application integrated circuits. The products are mainly Set-top Box (STB) chips, including integrated STB chips with standard resolution and high resolution such as Satellite, Terrestrial, Cable and Internet Protocol (IP), and the revenue of the products accounts for nearly 90%.

(III) The necessity and suitability evaluation of this private placement case

1. Evaluation of the Necessity of Private Placement

The Company's 2021 financial report audited and certified by a CPA is a net loss of NT\$ 89,650 thousand after tax. On the whole, considering the Company's current operating status, industrial prospects, the Company's future business needs to inject working capital, and the timeliness, convenience and issue cost of fund-raising, it may not be easy to successfully obtain the required funds in a short time, for example, through public offering and issuance of securities. In order to avoid affecting the normal operation of the company, it is necessary to raise money from a specific person by private placement, with the purpose of enriching the working capital, responding to the industrial changes, strengthening the company's operating physique and competitiveness, and improving the financial physique and enhancing the overall shareholders' rights and interests.

2. Rationality of Private Placement

The underwriter evaluates the rationality of the company's handling of

this private placement case in the following three aspects:

(1) The rationality of the private placement issue procedure

Upon examination of the meeting materials of the board of directors of the company to discuss the private placement of common stocks on May 4, 2022, the pricing method and the selection method of the private placement specific person are still in compliance with the provisions of the Securities and Exchange Act and relevant laws and regulations, and there is no significant abnormality.

(2) Rationality of reasons for handling private placement of securities

The Company's net loss after tax in the last two years, taking into account its capital market acceptance and stock liquidity and other factors, such as raising funds through public offering may not be conducive to obtaining the required funds in a short time, while private offering is relatively time-sensitive and can obtain the required funds in a short time. Therefore, it is reasonable to use private offering instead of public offering this time. If the maximum dilution ratio of 34,132,000 common stockss issued in this private placement is 15.00%, the issue price is limited to not less than 80% of the reference price, and the pricing percentage is still in line with the market practice after evaluation. Moreover, since the securities have a lock-up period of three years, it is necessary to apply to the competent authority for a re-issuance of the public offering only after the use of the private placement funds shows clear benefits, so there is no significant adverse impact on shareholders' rights and interests.

(3) Rationality of the purpose and expected benefit of this private placement.

The purpose of the Company's private placement fund is intended to enrich the working capital to meet the fund demand of future development, so as to meet the industrial changes and strengthen the Company's operating physique and competitiveness, with a view to improving the financial physique and enhancing the overall shareholders' rights and interests. If the Company adopts bank loan instead of private placement for capital increase, it may not be easy to obtain favorable loan conditions in view of the Company's recent operating conditions, which will increase the company's financial burden and further increase its operational risks. Therefore, in order to maintain the flexibility of financial dispatch and avoid the erosion of interest expenses, the company will make a profit. In addition, through the experience, technology, knowledge, brand or access of the recruiter, the company can be helped to improve its overall competitiveness and operational efficiency, thereby increasing the company's revenue and profit,

so as to cope with the industrial changes, strengthen the company's operating physique and competitiveness, which will be positive for the company's long-term operational development and enhance the overall shareholders' rights and interests. Its effect is expected.

(IV) Selection of the recruiter and evaluation of its feasibility and necessity.

1. Selection of the person to be recruited

According to the information of the meeting of the board of directors of the Company on May 4, 2022, the company's private placement will select a specific person in accordance with Article 43-6 of the Securities and Exchange Act. The fundraisers of this private placement case are mainly strategic investors who have full knowledge of the company's financial business. As for the selection of actual fundraisers, it will be handled in accordance with relevant regulations. In the future, if there are any applicants who are willing to participate in the private placement subscription of the Company, it will also meet the requirements of the competent authority.

2. Its feasibility and necessity.

Due to the drastic changes in the operating environment of the Company's industries, the company's operations continued to suffer losses. In order to consider the sustainable operation and development of the company, the company raised funds from private placement of common stocks this time to enrich its working capital. In addition, in order to avoid the change of management right affecting the company's business development, under the consideration of stabilizing the management team, the basic principle for the selection of the actual fund-raisers in the future is still to stabilize the management right and keep the business going. Therefore, the consultation of the fund-raisers in this private placement case should be feasible and necessary.

(V) The impact on the company's business, finance and shareholders' equity after the transfer of management rights.

1. Impact on the company's business

In order to actively lay out and expand the market, in response to the second digital conversion development in Europe initiated by 5G deployment, and planning to develop intelligent networking and application-specific integrated circuit design services to target the niche market, this private placement is conducted to enrich the Company's operating capital, and at the same time, it is not excluded to introduce strategic investors who will be helpful to the Company's future operation, so as to assist the Company's future operation layout and further increase the Company's revenue and profit.

Therefore, it should be positive for the Company's business.

2. Impact on the company's finance

With the Company's current operating situation, it is difficult to obtain better loan terms, so borrowing money will increase the company's financial cost. The purpose of this private placement is to enrich the working capital or other fund needs for the Company's future development. Apart from avoiding excessive reliance on bank loans, increasing debt ratio and interest expenses, which will increase financial risks, it can also meet the needs of future working development funds to strengthen the company's operating physique and competitiveness, so as to enhance the company's competitiveness. Therefore, the Company's immediate and effective private placement of funds will also have positive financial benefits.

3. Impact on the company's shareholder's equity

The Company's private placement targets are mainly strategic investors who understand the company's operation, with a view to assisting the Company to make layout in line with the future market development, enhance the overall competitiveness of the company and create profits. Although there may be a significant change in the management right of private placement, there is a restriction that private placement of common stocks cannot be freely transferred within three years, which can ensure the long-term cooperative relationship between the company and the people to be raised and help stabilize the company's operation. In addition, if the private placement price of common stocks is lower than the par value of the shares according to the pricing method stipulated in the above-mentioned laws and regulations, resulting in the company's accumulated losses, in the future, depending on the company's operation and market conditions, it will be handled by reducing capital, surplus or capital reserve to make up for the losses, and the corresponding way is also reasonable. Therefore, on the whole, this private placement should have a positive impact on the company's shareholders' rights and interests.

To sum up, the company's private placement is aimed at responding to the industrial changes, strengthening the company's operating physique and competitiveness, with a view to improving the financial physique and enhancing the overall shareholders' rights and interests. After considering the company's current operating conditions and the feasibility of the raised funds, the company plans to conduct the cash capital increase and issue new shares by private placement, which is indeed necessary and reasonable; In addition, after the underwriter examined the information and procedures of the board meeting of the

company on May 4, 2022, there was no obvious irrationality, and after comprehensive consideration of various factors such as the expected benefits of private placement and the influence of the choice of the offeree on the Company's business, finance and shareholders' equity, it was necessary and reasonable for the company to increase its capital and issue common stocks this time.

IV. Other statements

- (I) The content of this opinion is only used as the resolution of the 2022 General Meeting of Shareholders of ALi Corporation to handle the private placement to increase capital and issue common shares this time, and will not be used for other purposes.
- (II) The content of this opinion is evaluated by referring to the meeting data of the board of directors provided by ALi on May 4, 2022, the company's financial information and the announcement information through the "MOPS", etc. It is hereby declared that this opinion will not bear any legal responsibility for the influence of the change of the content of this opinion in the future due to the change of the company's private placement plan or other circumstances.
- (III) This underwriter is not a related person of ALi or its insiders, which is hereby declared.

Evaluator: President Securities Corp.

President: Lin, Kuan-Cheng

May 4, 2022

(Only for securities underwriters' evaluation opinions of ALi Corporation handling private placement of securities in 2022)

Comparison Table of Amendments to the “Articles of Association”

Before amendments	After amendments	Reason for amendments
<p>Article 10-1 None.</p>	<p>Article 10-1 The company's shareholders' meeting may be held by video conference or other methods announced by the central competent authority. The conditions to be met, operating procedures and other matters to be followed, if the securities competent authority otherwise stipulates, such regulations shall prevail.</p>	<p>According to Articles 172-2 and 356-8 of the Company Law, the shareholders' meeting may be convened by video.</p>
<p>Article 14 The Company has five to seven directors, of whom at least three are independent directors. Candidate nomination system is adopted for the election of independent directors and non-independent directors. The election of directors shall be conducted in accordance with the provisions of Article 198 of the Company Act. Independent directors and non-independent directors shall be elected together, and the number of seats to be elected shall be calculated respectively. Those who have more voting rights represented by the votes obtained shall be elected as independent directors and non-independent directors. Their term of office shall be three years and they may be re-elected. The total number of registered shares held by all directors of the Company is determined in accordance with the standards set forth in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the Financial Supervisory Commission. The Company may take out liability insurance for directors within the scope of compensation that the directors are liable for according to law.</p>	<p>Article 14 The Company has five to seven directors, of whom at least three are independent directors. Candidate nomination system is adopted for the election of independent directors and non-independent directors. The election of directors shall be conducted in accordance with the provisions of Article 198 of the Company Act. Independent directors and non-independent directors shall be elected together, and the number of seats to be elected shall be calculated respectively. Those who have more voting rights represented by the votes obtained shall be elected as independent directors and non-independent directors. Their term of office shall be three years and they may be re-elected. The total number of registered shares held by all directors of the Company is determined in accordance with the standards set forth in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the Financial Supervisory Commission. <u>The remuneration of directors shall be determined by the board of directors according to the industry standard.</u> The Company may take out liability insurance for directors within the scope of compensation that the directors are liable for according to law.</p>	<p>Increase the remuneration of directors in accordance with Article 196 of the Company Law.</p>
<p>Article 15 The Board of Directors shall be organized by directors, and two-thirds or more of the directors present and more than half of the directors present shall agree to elect one chairman from each other. The vice-chairman may be elected according to business needs, and the chairman shall represent the Company externally. The Company may set up committee for audit, salary and remuneration or other functional committees. The convening of the Board of Directors of the Company shall be notified to all directors seven days in advance, and the Company may</p>	<p>Article 15 The Board of Directors shall be organized by directors, and two-thirds or more of the directors present and more than half of the directors present shall agree to elect one chairman from each other. The vice-chairman may be elected according to business needs, and the chairman shall represent the Company externally. The Company may set up committee for audit, salary and remuneration or other functional committees. The convening of the Board of Directors of the Company shall be notified to all directors <u>before the deadline stipulated by law</u> in</p>	<p>Change the date of the convocation notice to the time limit stipulated by the law to increase flexibility.</p>

<p>convene the Board of Directors at any time in case of emergency. The Board of Directors of the Company may be convened in writing, E-mail or fax.</p>	<p>advance, and the Company may convene the Board of Directors at any time in case of emergency. The Board of Directors of the Company may be convened in writing, E-mail or fax.</p>	
<p>Article 19 If the Company has any profit in the year (the so-called profit refers to the profit before-tax deduction of employee remuneration and director remuneration), it shall allocate less than 5% as employee remuneration and no more than 1.5% as director remuneration. However, when the Company still has accumulated deficit (including adjusting the undistributed surplus amount), it shall reserve the compensation amount in advance. The remuneration referred to in the preceding paragraph may be in the form of shares or cash, which may be distributed to employees of affiliated companies who meet the conditions set by the Board of Directors. The remuneration of directors referred to in the preceding paragraph can only be paid in cash. The first two items shall be decided by the Board of Directors and reported to the board of shareholders.</p>	<p>Article 19 If the Company has any profit (the so-called profit refers to the profit before-tax deduction of employee remuneration and director remuneration), it shall allocate less than 5% as employee remuneration and no more than 1.5% as director remuneration. However, when the Company still has accumulated deficit (including adjusting the undistributed surplus amount), it shall reserve the compensation amount in advance. The remuneration referred to in the preceding paragraph may be in the form of shares or cash, which may be distributed to employees of affiliated companies who meet the conditions set by the Board of Directors. The remuneration of directors referred to in the preceding paragraph can only be paid in cash. The first two items shall be decided by the Board of Directors and reported to the board of shareholders.</p>	<p>In line with the addition of Article 228-1 of the Company Law, the quarterly earnings distribution or loss appropriation adjustment text.</p>
<p>Article 20 <u>If there is a net profit after-tax for the current period in the Company's annual final accounts</u>, the Company shall first make up the accumulated deficits (including adjusting the undistributed surplus amount) and allocate 10% as the legal reserve according to law, with the amount of the items other than the current after-tax net profit added to the current after-tax net profit and included in the current year's undistributed surplus; However, this is not the case when the legal reserve has reached the paid-in capital of the Company. The special reserve shall be allocated or reversed in accordance with laws or regulations of the competent authority. The remaining surplus, together with the undistributed surplus at beginning of period (including adjustment of the undistributed surplus amount), shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution to distribute dividends and bonuses. The Company's affiliated industries are in the growth stage. Depending on investment environment, capital demand, company business, financial planning and other factors,</p>	<p>Article 20 <u>Before the Company distributes earnings</u>, the Company shall first make up the accumulated deficits (including adjusting the undistributed surplus amount) and allocate 10% as the legal reserve according to law, with the amount of the items other than the current after-tax net profit added to the current after-tax net profit and included in the current year's undistributed surplus; However, this is not the case when the legal reserve has reached the paid-in capital of the Company. The special reserve shall be allocated or reversed in accordance with laws or regulations of the competent authority. <u>When allocating the special surplus reserve, the under-reported amount for the "Net increase in fair value of investment properties accumulated in the previous period" and "Net decrease in other equity accumulated in the previous period" should be allocated from the previous period before the distribution of surplus, and the amount shall be allocate as special surplus reserve of the same amount. If there is still a shortage, the amount should be allocated from the current after-tax net profit add the items other than the current after-tax</u></p>	<p>In accordance with the Financial Regulatory Commission's March 31, 2021 J.G.Z.F.Z No. 10901500221 and No. 1090150022, the policy for the provision of special surplus reserves was added, and the quarterly surplus distribution or loss appropriation was added in accordance with Article 228-1 of the Company Law. And Article</p>

<p>the distributable surplus for the current year may be fully distributed. Surplus can be distributed in cash or stock, but the proportion of cash dividends distributed by shareholders shall not be less than ten percent (10%) of the total dividends of shareholders.</p>	<p><u>net profit and included in the current undistributed surplus.</u> The remaining surplus, together with the undistributed surplus at beginning of period (including adjustment of the undistributed surplus amount), shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution to distribute dividends and bonuses. <u>The company's earnings distribution or loss appropriation may be made after the end of each quarter. If the earnings distribution is paid in cash, it may be handled by a special resolution of the board of directors in accordance with Paragraph 5 of Article 240 of the Company Law, and reported to the shareholders' meeting.</u> The Company's affiliated industries are in the growth stage. Depending on investment environment, capital demand, company business, financial planning and other factors, the distributable surplus for the current year may be fully distributed. Surplus can be distributed in cash or stock, but the proportion of cash dividends distributed by shareholders shall not be less than ten percent (10%) of the total dividends of shareholders.</p>	<p>240 of adding cash surplus distribution procedures.</p>
<p>Article 23 The Articles of Association was concluded on April 20, 1993 The first revision was made on December 3, 1993 The 2nd revision was made on June 24, 1995 The 3rd revision was made on January 8, 1996 The 4th revision was made on April 20, 1996 The 5th revision was made on June 27, 1996 The 6th revision was made on June 20, 1997 The 7th revision was made on April 3, 1998 The 8th revision was made on April 3, 1998 The 9th revision was made on April 27, 2000 The 10th revision was made on April 25, 2001 The 11th revision was made on June 13, 2002 The 12th revision was made on June 2, 2004 The 13th revision was made on August 26, 2004 The 14th revision was made on June 14, 2006 The 15th revision was made on June 15, 2007 The 16th revision was made on June 16, 2009 The 17th revision was made on June 18, 2010 The 18th revision was made on June 9, 2011 The 19th revision was made on June 20, 2012 The 20th revision was made on June 29, 2016 The 21st revision was made on June 11, 2019 The 22th revision was made on June 12, 2020</p>	<p>Article 23 The Articles of Association was concluded on April 20, 1993 The first revision was made on December 3, 1993 The 2nd revision was made on June 24, 1995 The 3rd revision was made on January 8, 1996 The 4th revision was made on April 20, 1996 The 5th revision was made on June 27, 1996 The 6th revision was made on June 20, 1997 The 7th revision was made on April 3, 1998 The 8th revision was made on April 3, 1998 The 9th revision was made on April 27, 2000 The 10th revision was made on April 25, 2001 The 11th revision was made on June 13, 2002 The 12th revision was made on June 2, 2004 The 13th revision was made on August 26, 2004 The 14th revision was made on June 14, 2006 The 15th revision was made on June 15, 2007 The 16th revision was made on June 16, 2009 The 17th revision was made on June 18, 2010 The 18th revision was made on June 9, 2011 The 19th revision was made on June 20, 2012 The 20th revision was made on June 29, 2016 The 21st revision was made on June 11, 2019 The 22th revision was made on June 12, 2020 <u>The 23th revision was made on June 14, 2022</u></p>	<p>Add the date of the twenty-third revision.</p>

**Comparison Table of Amendments to the
“Procedures Governing the Acquisition and Disposition of Assets”**

Before amendments	After amendments	Reason for amendments
<p>Article 4. The professional appraisers and their appraisers, accountants, lawyers or securities underwriters shall meet the following requirements in the appraisal reports or opinions of accountants, lawyers or securities underwriters obtained by the Company:</p> <p>I. No one has been sentenced to fixed-term imprisonment of more than one year for violating the securities and exchange law, the company law, the banking law, the insurance law, the financial holding company law, the business accounting law, or for fraud, breach of trust, embezzlement, forgery of documents or business crimes. However, this is not the case when the execution is completed, the probation period expires or three years have elapsed since the pardon.</p> <p>II. The parties to the transaction shall not be related or have a substantial relationship.</p> <p>III. If the Company should obtain appraisal reports from more than two professional appraisers, appraisers or appraisers from different professions may not be related or materially related to each other.</p> <p>When issuing appraisal reports or opinions referred to in the preceding paragraph, the personnel shall comply with the following matters:</p> <p>I. Before accepting a case, you should carefully evaluate your professional ability, practical experience and independence.</p> <p>II. When audit a case, we should properly plan and implement the appropriate operation process to form a conclusion and issue a report or opinion accordingly; The procedures, collected data and conclusions will be published in detail in the working papers of the case.</p> <p>III. For the data sources, parameters and information used, the completeness, rightness and rationality should be evaluated one by one as the basis for issuing an appraisal report or opinion.</p> <p>IV. The matters to be declared shall include that the relevant personnel are professional and independent, that the information used has been assessed as reasonable and correct, and that the relevant laws and regulations</p>	<p>Article 4. The professional appraisers and their appraisers, accountants, lawyers or securities underwriters shall meet the following requirements in the appraisal reports or opinions of accountants, lawyers or securities underwriters obtained by the Company:</p> <p>I. No one has been sentenced to fixed-term imprisonment of more than one year for violating the securities and exchange law, the company law, the banking law, the insurance law, the financial holding company law, the business accounting law, or for fraud, breach of trust, embezzlement, forgery of documents or business crimes. However, this is not the case when the execution is completed, the probation period expires or three years have elapsed since the pardon.</p> <p>II. The parties to the transaction shall not be related or have a substantial relationship.</p> <p>III. If the Company should obtain appraisal reports from more than two professional appraisers, appraisers or appraisers from different professions may not be related or materially related to each other.</p> <p>When issuing appraisal reports or opinions referred to in the preceding paragraph, the personnel shall comply with <u>the self-discipline norms of their respective trade associations</u> and the following matters:</p> <p>I. Before accepting a case, you should carefully evaluate your professional ability, practical experience and independence.</p> <p>II. When executing a case, we should properly plan and implement the appropriate operation process to form a conclusion and issue a report or opinion accordingly; The procedures, collected data and conclusions will be published in detail in the working papers of the case.</p> <p>III. For the data sources, parameters and information used, the appropriateness and rationality should be evaluated one by one as the basis for issuing an appraisal report or opinion.</p> <p>IV. The matters to be declared shall include that the relevant personnel are professional and independent, that the information used has been assessed as appropriate and</p>	<p>Cooperating with the amendment of the letter No.1110380465 issued by the Financial Supervisory Commission on January 28th, 2022.</p>

<p>have been followed.</p>	<p>reasonable, and that the relevant laws and regulations have been followed.</p>	
<p>Article 7. Procedures for announcement and declaration</p> <p>I. If the Company acquires or disposes of assets in any of the following circumstances, it shall, according to the nature and in the prescribed format, announce and report the relevant information on the website designated by the competent securities authority within two days from the date of the occurrence:</p> <p>(I) Acquire or dispose of real estate or its right to use assets from related parties, or acquire or dispose of other assets other than real estate or its right to use assets with related parties, and the transaction amount reaches 20% of the paid-in capital of the company, 10% of total assets or NT\$ 300 million or more. However, this restriction does not apply to buying and selling domestic government bonds, bonds with buy-back or sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, division, acquisition or share transfer.</p> <p>(III) The losses incurred in derivative commodity trading reach the maximum amount of all or individual contract losses stipulated in the prescribed processing procedures.</p> <p>(IV) Acquisition or disposal of equipment for business use or assets of its right to use, and the transaction object is not a related party, and the transaction amount reaches one of the following provisions:</p> <ol style="list-style-type: none"> 1. When the paid-in capital of the company is less than NT\$ 10 billion, the transaction amount reaches NT\$ 500 million or more. 2. When the paid-in capital of the company reaches NT\$ 10 billion or more, the transaction amount reaches NT\$ 1 billion or more. <p>(V) If the property is acquired by self-building, leasing, co-building, sub-housing, co-building and sub-selling, and the transaction object is not a related party, the estimated transaction amount invested by the company will reach NT\$ 500 million or more.</p> <p>(VI) Assets other than those mentioned in</p>	<p>Article 7. Procedures for announcement and declaration</p> <p>I. If the Company acquires or disposes of assets in any of the following circumstances, it shall, according to the nature and in the prescribed format, announce and report the relevant information on the website designated by the competent securities authority within two days from the date of the occurrence:</p> <p>(I) Acquire or dispose of real estate or its right to use assets from related parties, or acquire or dispose of other assets other than real estate or its right to use assets with related parties, and the transaction amount reaches 20% of the paid-in capital of the company, 10% of total assets or NT\$ 300 million or more. However, this restriction does not apply to buying and selling domestic government bonds, bonds with buy-back or sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, division, acquisition or share transfer.</p> <p>(III) The losses incurred in derivative commodity trading reach the maximum amount of all or individual contract losses stipulated in the prescribed processing procedures.</p> <p>(IV) Acquisition or disposal of equipment for business use or assets of its right to use, and the transaction object is not a related party, and the transaction amount reaches one of the following provisions:</p> <ol style="list-style-type: none"> 1. When the paid-in capital of the company is less than NT\$ 10 billion, the transaction amount reaches NT\$ 500 million or more. 2. When the paid-in capital of the company reaches NT\$ 10 billion or more, the transaction amount reaches NT\$ 1 billion or more. <p>(V) If the property is acquired by self-building, leasing, co-building, sub-housing, co-building and sub-selling, and the transaction object is not a related party, the estimated transaction amount invested by the company will reach NT\$ 500 million or more.</p> <p>(VI) Assets other than those mentioned in</p>	<p>Cooperating with the amendment of the letter No.1110380465 issued by the Financial Supervisory Commission on January 28th, 2022.</p>

<p>the preceding five paragraphs are traded or invested in mainland China, and the transaction amount reaches 20% of the paid-in capital of the company or more than NT\$ 300 million. However, the following circumstances shall not apply:</p> <ol style="list-style-type: none"> 1. Buying and selling domestic public bonds. 2. Buy and sell bonds with buy-back and sell-back conditions, purchase or buy back money market funds issued by domestic securities investment trust enterprises. <p>II. The transaction amount referred to in the preceding paragraph is calculated in the following ways:</p> <ol style="list-style-type: none"> (I) The amount of each transaction. (II) Accumulate the amount of transactions of the same nature acquired or disposed of with the same counterpart within one year. (III) Accumulated amount of real estate or its right to use assets acquired or disposed of (acquired and disposed of separately) in the same development plan within one year. (IV) Accumulated amount of the same securities acquired or disposed of (acquired and disposed of separately) within one year. <p>III. The term "one year" mentioned in the preceding paragraph is based on the date of occurrence of this transaction, and it is retroactively calculated for one year. The part that has been announced in accordance with relevant laws and regulations is exempted from being counted again.</p> <p>IV. This Company shall, on a monthly basis, enter into the information reporting website designated by the competent securities authority before the 10th day of each month the information of the Company and its subsidiaries which are not domestic public companies engaged in derivatives trading as of the end of last month in the prescribed format.</p> <p>V. If there are errors or omissions in the announcement of items to be announced by this Company in accordance with the regulations, which should be corrected, all items shall be re-announced and reported within two days from the date of becoming aware of them.</p> <p>VI. When the Company acquires or disposes of assets, it shall keep relevant contracts, minutes, reference books, appraisal reports and opinions of accountants, lawyers or securities underwriters in the Company,</p>	<p>the preceding five paragraphs are traded or invested in mainland China, and the transaction amount reaches 20% of the paid-in capital of the company or more than NT\$ 300 million. However, the following circumstances shall not apply:</p> <ol style="list-style-type: none"> 3. Buying and selling domestic public bonds <u>or foreign public bonds with a credit rating not lower than Taiwan's sovereign rating.</u> 4. Buy and sell bonds with buy-back and sell-back conditions, purchase or buy back money market funds issued by domestic securities investment trust enterprises. <p>II. The transaction amount referred to in the preceding paragraph is calculated in the following ways:</p> <ol style="list-style-type: none"> (I) The amount of each transaction. (II) Accumulate the amount of transactions of the same nature acquired or disposed of with the same counterpart within one year. (III) Accumulated amount of real estate or its right to use assets acquired or disposed of (acquired and disposed of separately) in the same development plan within one year. (IV) Accumulated amount of the same securities acquired or disposed of (acquired and disposed of separately) within one year. <p>III. The term "one year" mentioned in the preceding paragraph is based on the date of occurrence of this transaction, and it is retroactively calculated for one year. The part that has been announced in accordance with relevant laws and regulations is exempted from being counted again.</p> <p>IV. This Company shall, on a monthly basis, enter into the information reporting website designated by the competent securities authority before the 10th day of each month the information of the Company and its subsidiaries which are not domestic public companies engaged in derivatives trading as of the end of last month in the prescribed format.</p> <p>V. If there are errors or omissions in the announcement of items to be announced by this Company in accordance with the regulations, which should be corrected, all items shall be re-announced and reported within two days from the date of becoming aware of them.</p> <p>VI. When the Company acquires or disposes of assets, it shall keep relevant contracts, minutes, reference books, appraisal reports</p>	
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<p>and keep them for at least five years, unless otherwise stipulated by other laws.</p> <p>VII. After a transaction announced and reported by the Company in accordance with the provisions of this Article, if one of the following circumstances occurs, it shall announce and report the relevant information on the website designated by the competent securities authority within two days from the date of occurrence:</p> <p>(I) The relevant contract signed in the original transaction has been changed, terminated or canceled.</p> <p>(II) The merger, division, acquisition or share transfer is not completed according to the scheduled schedule of the contract.</p> <p>(III) The contents of the original announcement are changed.</p>	<p>and opinions of accountants, lawyers or securities underwriters in the Company, and keep them for at least five years, unless otherwise stipulated by other laws.</p> <p>VII. After a transaction announced and reported by the Company in accordance with the provisions of this Article, if one of the following circumstances occurs, it shall announce and report the relevant information on the website designated by the competent securities authority within two days from the date of occurrence:</p> <p>(I) The relevant contract signed in the original transaction has been changed, terminated or canceled.</p> <p>(II) The merger, division, acquisition or share transfer is not completed according to the scheduled schedule of the contract.</p> <p>(III) The contents of the original announcement are changed.</p>	
<p>Article 9 Procedures for controlling the acquisition or disposal of assets by subsidiaries</p> <p>I. When a subsidiary reinvested by the Company acquires or disposes of assets, it shall be handled in accordance with these procedures.</p> <p>II. If a subsidiary of the Company is not a domestic public company, and its assets acquired or disposed of meet the standards for announcement and reporting in this procedure, the Company shall also make an announcement, report and send a copy to relevant units in accordance with this procedure.</p> <p>III. The subsidiary referred to in the preceding paragraph is subject to the requirement of Article 7, paragraph 1, that it should be announced and reported. If it reaches 20% of paid-in capital or 10% of total assets, the paid-in capital or total assets of this company shall prevail.</p>	<p>Article 9 Procedures for controlling the acquisition or disposal of assets by subsidiaries</p> <p>I. <u>When a subsidiary of the Company acquires or disposes of assets, it shall be handled in accordance with these procedures, but the subsidiary has stipulated the procedures for acquiring or disposing of assets in accordance with laws and regulations.</u></p> <p>II. <u>For a subsidiary that has set its own asset acquisition or disposal procedures in the preceding paragraph, the formulation or amendment of asset acquisition or disposal procedures shall be approved by the board of directors of the subsidiary and submitted to the board of directors of the Company for approval.</u></p> <p>III. If a subsidiary of the Company is not a domestic public company, and its assets acquired or disposed of meet the standards for announcement and reporting in this procedure, the Company shall also make an announcement, report and send a copy to relevant units in accordance with this procedure.</p> <p>IV. The subsidiary referred to in the preceding paragraph is subject to the requirement of Article 7, paragraph 1, that it should be announced and reported. If it reaches 20% of paid-in capital or 10% of total assets, the paid-in capital or total assets of this company shall prevail.</p>	<p>Revise the control procedure of the subsidiary's acquisition method to improve the processing procedure of the subsidiary's acquisition or disposal of assets.</p>

<p>Article 11 Estimation report of professional estimators</p> <p>If the Company acquires or disposes of real estate, equipment or its right to use assets, except for transactions with domestic government agencies, self-construction or lease of land, or acquisition or disposal of equipment or its right to use assets for business use, the transaction amount reaches 20% of the paid-in capital of the company or NT\$ 300 million or more, it shall obtain an appraisal report issued by a professional appraiser before the occurrence of the fact, and meet the following requirements:</p> <p>I. If a limited price, a specific price or a special price is required as the reference basis for the transaction price due to special reasons, the transaction shall be submitted to the board of directors for approval first; The same applies to any subsequent change in trading conditions.</p> <p>II. If the transaction amount reaches NT\$ 1 billion or more, two or more professional appraisers shall be invited for estimation.</p> <p>III. If the appraisal results of professional appraisers are in any of the following circumstances, except that the appraisal results of acquired assets are all higher than the transaction amount, or the appraisal results of disposed assets are all lower than the transaction amount, the accountant shall be consulted to <u>handle them in accordance with the provisions of Auditing Standards Bulletin No.20 issued by the Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation), and</u> give specific opinions on the reasons for the differences and the appropriateness of the transaction price:</p> <p>(I) The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.</p> <p>(II) The difference between the appraisal results of two or more professional appraisers is more than 10% of the transaction amount.</p> <p>IV. The date of issuance of the report by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the present value of the announcement of the same period has been applied for less than six months, the original professional appraiser may issue an opinion.</p>	<p>Article 11 Estimation report of professional estimators</p> <p>If the Company acquires or disposes of real estate, equipment or its right to use assets, except for transactions with domestic government agencies, self-construction or lease of land, or acquisition or disposal of equipment or its right to use assets for business use, the transaction amount reaches 20% of the paid-in capital of the company or NT\$ 300 million or more, it shall obtain an appraisal report issued by a professional appraiser before the occurrence of the fact, and meet the following requirements:</p> <p>I. If a limited price, a specific price or a special price is required as the reference basis for the transaction price due to special reasons, the transaction shall be submitted to the board of directors for approval first; The same applies to any subsequent change in trading conditions.</p> <p>II. If the transaction amount reaches NT\$ 1 billion or more, two or more professional appraisers shall be invited for estimation.</p> <p>III. If the appraisal results of professional appraisers are in any of the following circumstances, except that the appraisal results of acquired assets are all higher than the transaction amount, or the appraisal results of disposed assets are all lower than the transaction amount, the accountant shall be consulted to give specific opinions on the reasons for the differences and the appropriateness of the transaction price:</p> <p>(I) The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.</p> <p>(II) The difference between the appraisal results of two or more professional appraisers is more than 10% of the transaction amount.</p> <p>IV. The date of issuance of the report by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the present value of the announcement of the same period has been applied for less than six months, the original professional appraiser may issue an opinion.</p>	<p>Cooperating with the amendment of the letter No.1110380465 issued by the Financial Supervisory Commission on January 28th, 2022.</p>
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<p>Article 12 Opinions of Certified Public Accountants</p> <p>I. When the Company acquires or disposes of securities, it shall take the latest financial statements of the target company audited, certified or reviewed by certified public accountants as a reference for evaluating the transaction price before the occurrence of the fact. In addition, if the transaction amount reaches 20% of the paid-in capital of the company or more than NT\$ 300 million, it shall ask the accountant to express his opinions on the rationality of the transaction price before the occurrence of the fact. <u>If the accountant needs to use expert reports, it shall be handled in accordance with the provisions of Auditing Standards Bulletin No.20 issued by the Accounting Research and Development Foundation.</u> However, this restriction shall not apply if the securities have a publicly quoted price in an active market, are otherwise stipulated by the Financial Supervisory Commission, or meet the following requirements:</p> <p>(I) Securities are acquired by cash investment through initiation or offering of establishment in accordance with the Company Law, and the rights recognized by the acquisition of securities are equal to the proportion of investment.</p> <p>(II) Securities issued at par value by the target company participating in the subscription through cash capital increase in accordance with relevant laws and regulations.</p> <p>(III) Participating in the subscription of 100% direct or indirect investment companies for cash capital increase to issue securities, or 100% owned subsidiaries participating in the subscription of cash capital increase to issue securities.</p> <p>(IV) Listed, OTC and emerging securities traded on the stock exchange or over-the-counter markets of securities firms.</p> <p>(V) Domestic bonds, bonds with repurchase and resale conditions.</p> <p>(VI) Public Offering of Fund.</p> <p>(VII) Obtaining or disposing of the shares of listed (OTC) companies according to the standard purchase method or auction method of listed (OTC) securities of Taiwan Stock Exchange or OTC market.</p> <p>(VIII) Participating in cash capital increase and share subscription of domestic</p>	<p>Article 12 Opinions of Certified Public Accountants</p> <p>I. When the Company acquires or disposes of securities, it shall take the latest financial statements of the target company audited, certified or reviewed by certified public accountants as a reference for evaluating the transaction price before the occurrence of the fact. In addition, if the transaction amount reaches 20% of the paid-in capital of the company or more than NT\$ 300 million, it shall ask the accountant to express his opinions on the rationality of the transaction price before the occurrence of the fact. However, this restriction shall not apply if the securities have a publicly quoted price in an active market, are otherwise stipulated by the Financial Supervisory Commission, or meet the following requirements:</p> <p>(I) Securities are acquired by cash investment through initiation or offering of establishment in accordance with the Company Law, and the rights recognized by the acquisition of securities are equal to the proportion of investment.</p> <p>(II) Securities issued at par value by the target company participating in the subscription through cash capital increase in accordance with relevant laws and regulations.</p> <p>(III) Participating in the subscription of 100% direct or indirect investment companies for cash capital increase to issue securities, or 100% owned subsidiaries participating in the subscription of cash capital increase to issue securities.</p> <p>(IV) Listed, OTC and emerging securities traded on the stock exchange or over-the-counter markets of securities firms.</p> <p>(V) Domestic bonds, bonds with repurchase and resale conditions.</p> <p>(VI) Public Offering of Fund.</p> <p>(VII) Obtaining or disposing of the shares of listed (OTC) companies according to the standard purchase method or auction method of listed (OTC) securities of Taiwan Stock Exchange or OTC market.</p> <p>(VIII) Participating in cash capital increase and share subscription of domestic public companies or subscribing for corporate bonds (including financial bonds) in Taiwan, and the securities obtained are not private securities.</p> <p>(IX) In accordance with the provisions of</p>	<p>Cooperating with the amendment of the letter No.1110380465 issued by the Financial Supervisory Commission on January 28th, 2022.</p>
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<p>public companies or subscribing for corporate bonds (including financial bonds) in Taiwan, and the securities obtained are not private securities.</p> <p>(IX) In accordance with the provisions of Article 11, paragraph 1, of the Securities Investment Trust and Consulting Act, if a domestic private equity fund is purchased or bought back before the establishment of the fund, the investment strategy in trust deed has been stated as the same as that in Public Offering of Fund, except for the securities credit transaction and the positions of the related commodities held by the securities that have not been written off.</p> <p>II. If the transaction amount of the Company's membership card, intangible assets or its right to use assets reaches 20% of the paid-in capital of the Company or NT\$ 300 million or more, the Company shall, in addition to the transaction with domestic government agencies, ask an accountant to express his opinion on the rationality of the transaction price before the occurrence of the fact, <u>and the accountant shall handle it in accordance with the provisions of the Auditing Standards Bulletin No.20 issued by the Accounting Research and Development Foundation.</u></p> <p>III. If the Company acquires or disposes of assets through court auction, the certification documents issued by the court may replace the valuation report or accountant's opinion.</p>	<p>Article 11, paragraph 1, of the Securities Investment Trust and Consulting Act, if a domestic private equity fund is purchased or bought back before the establishment of the fund, the investment strategy in trust deed has been stated as the same as that in Public Offering of Fund, except for the securities credit transaction and the positions of the related commodities held by the securities that have not been written off.</p> <p>II. If the transaction amount of the Company's membership card, intangible assets or its right to use assets reaches 20% of the paid-in capital of the Company or NT\$ 300 million or more, the Company shall, in addition to the transaction with domestic government agencies, ask an accountant to express his opinion on the rationality of the transaction price before the occurrence of the fact.</p> <p>III. If the Company acquires or disposes of assets through court auction, the certification documents issued by the court may replace the valuation report or accountant's opinion.</p>	
<p>Article 13 Related Party Transactions</p> <p>When the Company and its related parties acquire or dispose of assets, they shall not only go through relevant resolution procedures and evaluate the rationality of transaction conditions according to the provisions of the preceding section and this section, but also obtain the appraisal report issued by a professional appraiser or accountant's opinion according to the provisions of the preceding section if the transaction amount is more than 10% of the Company's total assets. When judging whether the transaction object is a related party, we should not only pay attention to its legal form, but also consider the substantive relationship. The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with Article 12-1. If the Company acquires or disposes of property or its right to use assets from related parties, or acquires or disposes of other assets other than</p>	<p>Article 13 Related Party Transactions</p> <p>When the Company and its related parties acquire or dispose of assets, they shall not only go through relevant resolution procedures and evaluate the rationality of transaction conditions according to the provisions of the preceding section and this section, but also obtain the appraisal report issued by a professional appraiser or accountant's opinion according to the provisions of the preceding section if the transaction amount is more than 10% of the Company's total assets. When judging whether the transaction object is a related party, we should not only pay attention to its legal form, but also consider the substantive relationship. The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with Article 12-1. If the Company acquires or disposes of property or its right to use assets from related parties, or acquires or disposes of other assets other than</p>	<p>Cooperating with the amendment of the letter No.1110380465 issued by the Financial Supervisory Commission on January 28th, 2022.</p>

<p>real estate or its right to use assets with related parties, and the transaction amount reaches 20% of the paid-in capital of the Company, 10% of the total assets or NT\$ 300 million or more, in addition to buying and selling domestic government bonds, bonds with buy-back and sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the Audit Committee for approval before the board of directors makes a resolution, and then the transaction contract and payment can be signed:</p> <p>I. The purpose, necessity and expected benefit of acquiring or disposing of assets.</p> <p>II. Reasons for selecting the related party as the transaction partner.</p> <p>III. Relevant information for acquiring real estate or its right to use assets from related parties, and evaluating the rationality of the predetermined transaction conditions in accordance with Articles 14 and 15.</p> <p>IV. The original acquisition date and price of the related party, the transaction object and its relationship with the company and related parties, etc.</p> <p>V. a forecast of cash receipts and payments for each month in the coming year, which is expected to begin in the contract month, and an assessment of the necessity of the transaction and the rationality of the use of funds.</p> <p>VI. The appraisal report issued by a professional appraiser obtained in accordance with paragraphs 1 and 2, or the opinion of an accountant.</p> <p>VII. Restrictions on this transaction and other important agreements.</p> <p><u>The calculation of the transaction amount for the preceding paragraph shall be handled in accordance with the provisions of Article 7, paragraph 2, and the term "one year" is based on the date of this transaction, and it is retroactively calculated for one year. It has been submitted to the audit committee for approval in accordance with the provisions of these procedures, and the part admitted by the board of directors is exempted from being counted again.</u></p> <p>For the following transactions between the Company and its subsidiaries, or between subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, the board of directors may authorize the president to make a decision within a certain amount, and then submit it to the latest board of directors for ratification:</p> <p>I. Acquire or dispose of the equipment for business use or its right to use assets.</p>	<p>real estate or its right to use assets with related parties, and the transaction amount reaches 20% of the paid-in capital of the Company, 10% of the total assets or NT\$ 300 million or more, in addition to buying and selling domestic government bonds, bonds with buy-back and sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the Audit Committee for approval before the board of directors makes a resolution, and then the transaction contract and payment can be signed:</p> <p>I. The purpose, necessity and expected benefit of acquiring or disposing of assets.</p> <p>II. Reasons for selecting the related party as the transaction partner.</p> <p>III. Relevant information for acquiring real estate or its right to use assets from related parties, and evaluating the rationality of the predetermined transaction conditions in accordance with Articles 14 and 15.</p> <p>IV. The original acquisition date and price of the related party, the transaction object and its relationship with the company and related parties, etc.</p> <p>V. a forecast of cash receipts and payments for each month in the coming year, which is expected to begin in the contract month, and an assessment of the necessity of the transaction and the rationality of the use of funds.</p> <p>VI. The appraisal report issued by a professional appraiser obtained in accordance with paragraphs 1 and 2, or the opinion of an accountant.</p> <p>VII. Restrictions on this transaction and other important agreements.</p> <p>For the following transactions between the Company and its subsidiaries, or between subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, the board of directors may authorize the president to make a decision within a certain amount, and then submit it to the latest board of directors for ratification:</p> <p>III. Acquire or dispose of the equipment for business use or its right to use assets.</p> <p>IV. Acquire or dispose of real estate use right assets for business use.</p> <p><u>If the Company or a subsidiary of the Company has the first transaction, and the transaction amount is more than 10% of the Company's total assets, the information listed in the first paragraph shall be submitted to the shareholders' meeting for approval before the transaction contract and payment can be signed. However, this restriction does not apply to transactions</u></p>	
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<p>II. Acquire or dispose of real estate use right assets for business use.</p>	<p><u>between the Company and its subsidiaries or between subsidiaries.</u> <u>The calculation of the transaction amount between the first paragraph and the preceding paragraph shall be handled in accordance with the provisions of Article 7, paragraph 2, and the term "one year" is based on the date of this transaction, and it is retroactively calculated for one year. It has been submitted to the audit committee for approval in accordance with the provisions of these procedures, and the part admitted by the board of directors is exempted from being counted again.</u></p>	
<p>Article 33 This procedure was established on April 27th, 2000. The first revision was made on April 24th, 2003. The second revision was made on June 15th, 2007. The third revision was made on June 20th, 2012. The fourth revision was made on June 25th, 2013. The fifth revision was made on June 24th, 2014. The sixth revision was made on June 25th, 2015. The seventh revision was made on June 14th, 2017. The eighth revision was made on June 11th, 2019.</p>	<p>Article 33 This procedure was established on April 27th, 2000. The first revision was made on April 24th, 2003. The second revision was made on June 15th, 2007. The third revision was made on June 20th, 2012. The fourth revision was made on June 25th, 2013. The fifth revision was made on June 24th, 2014. The sixth revision was made on June 25th, 2015. The seventh revision was made on June 14th, 2017. The eighth revision was made on June 11th, 2019. <u>The ninth revision was made on June 14th, 2022.</u></p>	<p>Add revision date.</p>

IV. Appendix

Appendix 1

ALi Corporation Articles of Association (before Amendment)

Chapter I	General
Article 1	The Company is organized in accordance with the Company Act and is named ALi Corporation.
Article 2	The business of the Company is as follows: <ol style="list-style-type: none">1. CC01060 Wired Communication Equipment and Apparatus Manufacturing2. CC01070 Telecommunication Equipment and Apparatus Manufacturing3. CC01080 Electronic Parts and Components Manufacturing4. CC01110 Computers and Computing Peripheral Equipment Manufacturing5. F213060 Retail Sale of Telecom Instruments6. F218010 Retail Sale of Computer Software7. F219010 Retail Sale of Electronic Materials8. F401010 International Trade9. F601010 Intellectual Property10. I301010 Software Design Services11. I301020 Data Processing Services12. I501010 Product Designing13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
Article 3	Due to business and investment relations, the Company may endorse and guarantee to other parties.
Article 4	The amount of the Company's foreign investment may not be limited by Article 13 of the Company Act.
Article 5	The Company has its head office in Hsinchu city and may set up branches at home and abroad upon the resolution of the Board of Directors if necessary.
Chapter II	Share
Article 6	The total capital of the Company is set at NT\$ 1.6 billion, divided into NT\$ 160 million shares, each with an amount of NT\$ 10, which authorizes the Board of Directors to issue the shares in batches. The total amount of capital referred to in the preceding paragraph is reserved NT\$ 250 million, divided into 25 million shares, with an amount of NT\$ 10 per share. It is reserved for use when exercising stock options and may be issued in batches in accordance with resolutions of the Board of Directors.
Article 7	All the shares of the company are registered, signed or sealed by the directors representing the company, and issued after being legally certified. The shares issued by the company may be exempted from printing, but shall be negotiated and registered with the Institutions for Centralized Custody of Securities.
Article 8	Unless otherwise provided by law, the shareholders of the Company shall handle the share affairs such as share transfer, right setting, loss reporting, inheritance, gift and address change, loss reporting or replacement of seal, etc. in accordance with the <i>Regulations Governing the Administration of Shareholder Services of Public Companies</i> .
Article 9	The change of name and transfer of shares shall be suspended within 60 days before the regular shareholders' meeting, 30 days before the temporary shareholders' meeting or 5 days before the Company decides to distribute dividends and bonuses or other benefits.
Article 9-1	The transfer objects of the treasury stocks purchased by the company in accordance with the law, the issuance objects of employee stock option certificates and restricted employee rights new shares, and the objects of issuance of new shares reserved for employees to purchase shall include employees of controlled or subordinate companies who meet certain conditions, and the certain conditions shall be determined by the board of directors.
Chapter III	Meeting of Shareholders
Article 10	The shareholders' meeting is divided into two types: regular meeting and temporary

	meeting. The regular meeting is held once a year and shall be convened by the Board of Directors within six months after the end of each fiscal year. The temporary meeting will be convened according to law when necessary.
Article 11	If a shareholder is unable to attend the shareholders' meeting for some reason, he/she may issue a power of attorney issued by the Company stating the scope of authorization, sign and seal it and entrust an agent to attend on his/her behalf.
Article 12	Shareholders of the Company have one vote per share, but those who have any of the circumstances specified in Article 179 of the Company Act have no vote.
Article 13	Unless otherwise provided in the Company Act and other laws and regulations, resolutions of the shareholders' meeting shall be made with the consent of a majority of the voting rights of shareholders present, representing a majority of the total number of issued shares. The shareholders of the company can exercise their voting rights electronically, and relevant matters shall be handled in accordance with the provisions of the order.
Chapter IV	Directors and Audit Committee
Article 14	The Company has five to seven directors, of whom at least three are independent directors. Candidate nomination system is adopted for the election of independent directors and non-independent directors. The election of directors shall be conducted in accordance with the provisions of Article 198 of the Company Act. Independent directors and non-independent directors shall be elected together, and the number of seats to be elected shall be calculated respectively. Those who have more voting rights represented by the votes obtained shall be elected as independent directors and non-independent directors. Their term of office shall be three years and they may be re-elected. The total number of registered shares held by all directors of the Company is determined in accordance with the standards set forth in the <i>Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies</i> promulgated by the Financial Supervisory Commission. The Company may take out liability insurance for directors within the scope of compensation that the directors are liable for according to law.
Article 15	The Board of Directors shall be organized by directors, and two-thirds or more of the directors present and more than half of the directors present shall agree to elect one chairman from each other. The vice-chairman may be elected according to business needs, and the chairman shall represent the Company externally. The Company may set up committee for audit, salary and remuneration or other functional committees. The convening of the Board of Directors of the Company shall be notified to all directors seven days in advance, and the Company may convene the Board of Directors at any time in case of emergency. The Board of Directors of the Company may be convened in writing, E-mail or fax.
Article 16	If the chairman asks for leave or is unable to exercise his/her authority for some reason, his/her agent shall handle the matter in accordance with the provisions of Article 208 of the Company Act. Director if he/she is unable to attend the Board of Directors in person, he/she may issue a power of attorney and entrust other directors to act as his/her agent, provided that the agent is only authorized by one person.
Chapter V	Manager
Article 17	The Company may have a chief executive, deputy chief executive, general manager, career general manager and deputy general manager. their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.
Chapter VI	Accountant
Article 18	At the end of each fiscal year, the Board of Directors shall compile the following statement and submit it to the shareholders' regular meeting for recognition: Business Report. Financial Statements. Proposal on surplus distribution or loss compensation.
Article 19	If the Company has any profit in the year (the so-called profit refers to the profit before-tax deduction of employee remuneration and director remuneration), it shall allocate less than 5% as employee remuneration and no more than 1.5% as director remuneration. However, when the Company still has accumulated deficit

(including adjusting the undistributed surplus amount), it shall reserve the compensation amount in advance.

The remuneration referred to in the preceding paragraph may be in the form of shares or cash, which may be distributed to employees of affiliated companies who meet the conditions set by the Board of Directors. The remuneration of directors referred to in the preceding paragraph can only be paid in cash.

The first two items shall be decided by the Board of Directors and reported to the board of shareholders.

Article 20 If there is a net profit after-tax for the current period in the Company's annual final accounts, the Company shall first make up the accumulated deficits (including adjusting the undistributed surplus amount) and allocate 10% as the legal reserve according to law, with the amount of the items other than the current after-tax net profit added to the current after-tax net profit and included in the current year's undistributed surplus; However, this is not the case when the legal reserve has reached the paid-in capital of the Company. The special reserve shall be allocated or reversed in accordance with laws or regulations of the competent authority. The remaining surplus, together with the undistributed surplus at beginning of period (including adjustment of the undistributed surplus amount), shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution to distribute dividends and bonuses.

The Company's affiliated industries are in the growth stage. Depending on investment environment, capital demand, company business, financial planning and other factors, the distributable surplus for the current year may be fully distributed. Surplus can be distributed in cash or stock, but the proportion of cash dividends distributed by shareholders shall not be less than ten percent (10%) of the total dividends of shareholders.

Article 21 The treasury stocks purchased by the company in accordance with the law shall be transferred to the employees at a price lower than the average price of the shares actually bought back, or the employee stock option certificates may be issued at a subscription price lower than the closing price of the common stocks of the company issued in Japan, with the consent of shareholders' meeting present by the shareholders representing more than half of the total number of issued shares and more than two-thirds of the voting rights of the shareholders present.

Chapter VII Supplementary Provisions

Article 22 Matters not covered in the Articles of Association shall be handled in accordance with the Company Act and other laws and regulations.

Article 23 The Articles of Association was concluded on April 20, 1993

The first revision was made on December 3, 1993

The 2nd revision was made on June 24, 1995

The 3rd revision was made on January 8, 1996

The 4th revision was made on April 20, 1996

The 5th revision was made on June 27, 1996

The 6th revision was made on June 20, 1997

The 7th revision was made on April 3, 1998

The 8th revision was made on April 3, 1998

The 9th revision was made on April 27, 2000

The 10th revision was made on April 25, 2001

The 11th revision was made on June 13, 2002

The 12th revision was made on June 2, 2004

The 13th revision was made on August 26, 2004

The 14th revision was made on June 14, 2006

The 15th revision was made on June 15, 2007

The 16th revision was made on June 16, 2009

The 17th revision was made on June 18, 2010

The 18th revision was made on June 9, 2011

The 19th revision was made on June 20, 2012

The 20th revision was made on June 29, 2016

The 21st revision was made on June 11, 2019

The 22th revision was made on June 12, 2020

ALi Corporation

Rules and Procedure of Shareholders' Meeting

Adopted at the shareholders' meeting on June 20, 1997

Revised at the shareholders' meeting on April 03, 1998

Revised at the shareholders' meeting on May 15, 2003

1. The shareholders' meeting of the Company shall be conducted in accordance with the Rules.
2. Shareholders or their agents attending the shareholders' meeting shall sign in and the sign-in formalities shall be replaced by a attendance card; The number of shares attended shall be calculated based on the attendance card submitted.
3. The attendance and voting at the shareholders' meeting shall be based on shares.
4. The shareholders' meeting shall be held at the place where the Company is located or at a place convenient for shareholders to attend and suitable for the meeting. The starting time of the meeting shall not be earlier than 9 am or later than 3 pm.
5. If the shareholders' meeting is convened by the Board of Directors, the chairman of the meeting shall be the chairman of the Company. If the chairman asks for leave or is unable to exercise his/her authority for some reason, the chairman shall appoint one director to act for him/her. If the chairman does not appoint an agent, the directors shall appoint one representative from each other. If the shareholders' meeting is convened by a convener other than the Board of Directors, the chairman of the meeting shall be the convener.
6. The Company may appoint appointed lawyers, accountants or relevant personnel to attend the shareholders' meeting. The meeting personnel handling the shareholders' meeting shall wear identification cards or armbands.
7. The whole process of the shareholders' meeting will be recorded or videotaped and kept for one year.
8. When the meeting time has expired, the chairman will announce the meeting starting. However, in the absence of shareholders representing more than half of the total number of issued shares, the chairman may postpone the meeting for two times. The total delay shall not exceed one hour. If the delay is still insufficient for two times and shareholders representing more than one-third of the total number of issued shares are present, it may be regarded as a false resolution in accordance with the first paragraph of Article 175 of the Company Act. Before the end of the current meeting, if the number of shares represented by the shareholders present has reached more than half of the total number of shares issued, the chairman may, in accordance with the provisions of article 174 of the Company Act, re-submit the fake resolution made to the regular meeting for resolution.
9. If the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors; The meeting shall be held in accordance with the agenda and shall not be changed without a resolution of the shareholders' meeting. During the meeting, the chairman may declare a break at his/her discretion. Before the end of the meeting, the chairman shall not declare the meeting adjourned without a resolution. If the chairman violates the rules of procedure and declares the meeting adjourned, a majority of the voting rights of the shareholders present may agree to elect a chairman to continue the meeting.
10. Before attending a shareholder's speech, the chairman shall first fill in a speech form setting out the main message of the speech, the shareholder's account number and the name of the account, and the chairman shall determine the order of his/her speech. Shareholders present at the meeting will be deemed not to have spoken if they have only made a statement but have not spoken. If the content of the speech is inconsistent with the statement, the content of the speech shall prevail; When a shareholder makes a speech, other shareholders shall not interfere with the speech without the consent of the chairman and the speaking shareholders, and the chairman shall stop the violator.
11. Each shareholder of the same proposal shall not speak more than twice without the consent of the chairman, and each time shall not exceed five minutes. If a shareholder's speech violates these

- regulations or exceeds the scope of the topic, the chairman may stop his/her speech.
12. When a legal person is entrusted to attend the shareholders' meeting, only one representative may be appointed to attend. If two or more representatives are appointed to attend, only one person may be allowed to speak on the same proposal.
 13. After attending the shareholder's speech, the chairman may reply in person or designate relevant personnel.
 14. When the chairman considers that the discussion of the proposal has reached the voting level, he/she may announce the suspension of the discussion and put it to the vote.
 15. The scrutineers and tellers for voting on the proposal shall be designated by the chairman, but the scrutineers shall have the status of shareholders. The results of the voting shall be reported on the spot and recorded.
 16. Unless otherwise provided in the Company Act and the Articles of Association of the Company, a motion shall be passed with the consent of more than half of the voting rights of the shareholders present. If there is no objection after consultation by the chairman, it shall be deemed as approved, and its effect shall be the same as that of voting.
 17. If there are amendments or substitutes to the same proposal, the chairman shall decide the voting order with the original proposal. If one of the proposals has been approved, the other proposals will be regarded as rejected and there is no need to vote again.
 18. The chairman may direct the guards (or security personnel) to assist in maintaining order at the venue. The guard (or security personnel) shall wear the armband with the word Guard when they are present to help maintain order.
 19. In the event of force majeure during the meeting, the chairman may suspend the meeting or hold another meeting at a later date.
 20. Matters not covered in the Rules shall be handled in accordance with the Company Act and other laws and regulations.
 21. These Rules shall come into force after being approved by the shareholders' meeting, and the same shall apply to amendments.

Rules for Election of Directors

- Article 1 The election of directors includes the election of independent directors and non-independent directors. Except for the provisions of the Articles of Association, the Company Law and relevant laws and regulations, it shall be handled in accordance with these Measures.
- Article 2 The election of directors shall be appointed by the shareholders' meeting on the person with capacity.
The election of independent directors and non-independent directors shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Law, and the selection of independent directors shall comply with “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.
- Article 3 The number of directors should be set according to the amount stipulated in the Articles of Association.
- Article 4 The board of directors shall prepare the election votes of directors, and indicate the number of voting rights.
- Article 5 The method of selecting directors is cumulative voting by single name. In the election of directors of the Company, each share has the same voting rights as the number of people to be elected. One person can be elected collectively or several people can be distributed. Independent directors and non-independent directors shall be elected together, and the number of elected directors shall be calculated separately.
- Article 6 The method of selecting directors is that those who get more voting rights are elected as non-independent directors or independent directors in turn. If two or more people get the same weight and exceed the prescribed quota, they will draw lots for the same weight; if they fail to attend, the chairman will draw lots for them.
- Article 7 The elector must fill in the name of the elector and the shareholder's account number on the ballot paper. If the elector is a non-shareholder, he should fill in the ID card number (foreigners should fill in the passport number) and put it in the ballot cabinet (box). However, if a corporate shareholder is the elector, the full title of the legal person or the representative of the legal person can be listed in the column of the ballot paper.
- Article 8 At the beginning of the election, the chairman shall appoint several scrutineers and tellers to perform various related tasks. The scrutineer shall be appointed among the shareholders present.
- Article 9 An election ticket is invalid under any of the following circumstances:
(I) Election ballots that have not been put into the ballot cabinet (box).
(II) No electoral votes prepared by the Company are required.
(III) Blank electoral votes that have not been filled in by the electors.
(IV) If the registered elector is a shareholder, his account name and account number are inconsistent with the shareholder name book.
(V) In addition to the name and account number of the elector, other characters and symbols are written on the electoral ticket.
(VI) Any one of the filled-in names, account numbers and voting weights of the candidates has been altered.
(VII) Illegible handwriting or defaced electoral votes.
(VIII) The filled-in name of the elected person is the same as that of other people, but the shareholder's account number or ID card number (or passport number) is not filled in to distinguish it.

- Article 10 After voting, the election tickets will be made on the spot, and the result of the election tickets will be announced by the chairman on the spot and recorded.
- Article 11 The Measures shall be implemented after being approved by the shareholders' meeting, and the same shall apply when amended.
- Article 12 These Measures were formulated on April 29th, 1997.
The first revision was made on June 13th, 2002.
The second revision was made on June 14th, 2006.
The third revision was made on June 20th, 2012.

Shareholding of Directors

Director Independent Director	Name	Date of Appointment	Closing date: April 16, 2022	
			Holding share (share)	Holding proportion (%)
Director	Liang, Hou-Yi	108.06.11	979,891	0.51
Director	Hsiao, Chung-Ho	108.06.11	906,143	0.47
Independent Director	Jack Qi Shu (Shu, Qi)	108.06.11	-	-
Independent Director	Huang, Ta-Lun	108.06.11	-	-
Independent Director	Tsai, Jung-Tung	108.06.11	-	-
Total			1,886,034	0.98

Note 1: Total shares issued on April 16, 2022: 193,839,746 common shares.

Note 2: The number of independent directors of the Company exceeds one-half of the total number of directors and an audit committee has been set up. Therefore, the rules of number of shares to be held by all directors and supervisors are not applicable.