

Stock Code:2462



台灣良得電子股份有限公司

TAIWAN LINE TEK ELECTRONIC CO.,LTD

2023 Annual General Shareholders' Meeting

Meeting Handbook

Time: AM0900, Friday, June 16, 2023

Holding Method: Physical Shareholders Meeting

Place: Room VIP3, Hione Holiday Hotel, No.265, Sec. 3, Beishen Rd.,
Shenkeng Dist., New Taipei City 22241, Taiwan (R.O.C.)

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I . MEETING PROCEDURE

TAIWAN LINE TEK ELECTRONIC CO., LTD. Procedures for the 2023 Annual Meeting of Shareholders

1. The announcement of shares represented at the meeting
2. Call the Meeting to Order
3. Chairman Remarks
4. Management Presentation (Company Reports)
5. Proposals
6. Discussion
7. Election Matters
8. Other Matters
9. Questions and Motions
10. Adjournment

II. MEETING AGENDA

TAIWAN LINE TEK ELECTRONIC CO., LTD. Agenda for the 2023 Annual Meeting of Shareholders

Time: AM0900, Friday, June 16, 2023

Holding Method: Physical Shareholders Meeting

Place: Room VIP3, Hione Holiday Hotel, No.265, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City 22241, Taiwan (R.O.C.)

1. The announcement of shares represented at the meeting
2. Call the Meeting to Order
3. Chairman Remarks
4. Management Presentation (Company Reports)

Report No. 1:

2022 Business Reports

Explanation: (1) The consolidated income of the Company was NT\$4,788,065 thousand in the profit (after tax) was NT\$208,994 thousand, and was 78.25% higher compared to 2021.

(2) Please refer the 2022 Business Report and Financial Statements to P8 of Attachment 1 for details.

Report No. 2:

Audit Committee's Review Report on 2022 Financial Statements

Explanation: (1) The financial statements of 2022 of the Company were duly certified by Hsiu-Ling Lee and Ming-Chuan Hsu, certified public accountants from the accounting firm Price Water House Coopers Taiwan, were duly submitted in conjunction with the Business Report to the Audit Committee for review. This inspection was completed with the Auditors' Reports duly issued.

(2) Kindly invite the Audit Committee to present and announce the review report. Please refer to Page 12 of Attachment 2 for details.

Report No. 3:

The Report on 2022 compensation to directors and profit-sharing bonus to employees

Explanation: (1) The income of the Company before income tax was NT\$171,669 thousand excludes deduction of compensation to directors and profit-sharing bonus to employees. According to Article 24 of the Articles of Incorporation, the Company distributed NT\$6,008,447 and NT\$6,866,797 as compensation to directors and profit-sharing bonus to employees. The preceding amounts were 3.5% and 4% of the income before income tax, and were distributed by cash.

Report No. 4:

The Report on 2022 Distribution of Cash Dividends

Explanation: (1) According to Paragraph 24, Chapter 6 of the Articles of Incorporation, the Board of Directors were authorized to propose the proposal of earnings Distribution. For the cash dividends, the Board of Directors were authorized to approve on the distribution and reports it to the shareholders meeting.

(2) The earnings attribution of the Company in 2022 was NT\$42,175,380 and distributed as cash dividends of NT\$0.3 per share. The Company calculated the distribution proportion up to the nearest unit as "dollar". For any fraction below one dollar was rounded off. The total amount of fractional portion was transferred free of charge to the Employee Welfare Committee of the

Company.

- (3) If the dividend distribution policy subsequently affects the number of shares that the Company can participate in the allotment because of buyback of the Company's shares, and of transfer or cancellation of treasury shares, etc., and changes in the distribution ratio of shareholders' dividend need to be amended, the Company proposes to authorize the Chairman to handle and adjust the distribution ratio at his/her sole discretion.

Report No. 5:

The Report on buyback of the Company's shares

Explanation: In the 15th meeting of the 15th the Board of Directors, the resolution was adopted to buy back shares then transfer them to employees. The buyback execution has been finished and finally 1,350,000 shares and NT\$38,139,441 were in the execution and their ratio was 0.95% of total issued shares. The average buyback price was NT\$28.25 per share, and the execution rate went to 54%.

Report No. 6:

Others - None.

5. Proposals

Proposal No.1 (Proposed by the Board):

Adoption of the 2022 Business Report and Financial Statements

Explanation: (1) About the Company's Business Report and Financial Statements, please refer to Page 8 of Attachment1, Page 13 of Attachment 3, and Page 26 of Attachment 4 for details.

- (2) The Company's Financial Statements were adopted through the Board of Directors' resolution and were also reviewed by the Audit Committee and issued the review report. The Financial Statements were audited to issue a report by independent auditors, Hsiu-ling Lee and Ming-chuan Hsu from the accounting firm, Price Waterhouse Coopers.
- (3) It is proposed that the resolution be adopted to ratify the above reports and financial statements.

Resolution:

Proposal No.2 (Proposed by the Board):

Adoption of the Proposal for 2022 Earnings Distribution

Explanation: (1) The Proposal for 2022 Earnings Distribution was adopted by the resolution of the Board of Directors on March 17, 2023.

- (2) The Company proposed to execute dividend distribution NT\$84,350,760 as equivalent to NT\$0.6 per share. Details are as follows:
 - A. Cash dividends: NT\$42,175,380 as equivalent to NT\$0.3 per share.
 - B. Stock dividends: NT\$42,175,380 as equivalent to NT\$0.3 per share.
 - C. Undistributed Earnings: NT\$548,731,192.
- (3) The cash dividends shall be calculated according to the proportion of shares held by shareholders on the distribution record date in the shareholders' names Book. The Company calculated the distribution proportion up to the nearest unit as "dollar". For any fraction below one dollar was rounded off. The total amount of fractional portion was transferred free of charge to the Employee Welfare Committee of the Company.
- (4) After the proposal for 2022 earnings distributions are passed by the resolution of the shareholders' meeting, the Board of Directors will authorize the Chairman to set aside the record date for Ex-rights and proceed related affairs.
- (5) If the dividend distribution subsequently affects the number of shares that the

Company can participate in the allotment because of buyback of the Company's shares, and of transfer or cancellation of treasury shares, etc., and changes in the distribution ratio of shareholders' dividend need to be amended, the Company proposes to authorize the Chairman to handle and adjust the distribution and ratio.

(6) Please refer to Table of 2022 Earnings Distributions as follows:

(7) It is proposed that the resolution be adopted to ratify the above proposal.

TAIWAN LINE TEK ELECTRONIC CO., LTD.
Year ended December 31, 2022
Earnings Distribution Table

Unit: New Taiwan Dollar

Item	Amount	Note
Undistributed earnings, beginning of the year	439,279,884	
Add: Adjustment of retained earnings of 2022	964,900	Note 1
Undistributed earnings, after adjustment	440,244,784	
Add: Net Revenue after tax of 2022	208,994,101	
Less: legal capital reserve of 2022 (10%)	20,995,900	
Add : special capital reserve	4,838,967	
Accumulated earnings distribution of 2022	633,081,952	
The Board of Directors expects to distribute as follows		
1. Cash dividends (NT\$ 0.30 per share)	42,175,380	
2. Stock dividends (NT\$ 0.30 per share)	42,175,380	
Undistributed earnings, end of the year	548,731,192	

Note 1: Remeasurement of defined benefit obligation was recorded in credit balance as NT\$964,900.

Chairman :

General Manager :

Chief Accountant :

Resolution :

6. Discussion

Discussion No. 1 (Proposed by the Board):

Amendments to some articles of the Articles of Incorporation of the Company

Explanation:

In order to conform amendments to Article 167-1, 177-1 and 235-1 of the Company Act, and the needs of commercial practice, the Company hereby proposes to amend some clauses of the Articles of Incorporation. Please refer to P39 of Attachment 5 for details.

Resolution:

Discussion No. 2 (Proposed by the Board)

Amendment to the Management and Procedures of Endorsement and Guarantees

Explanation:

In order to conform amendments to the Criteria Governing Loans of Funds and Guarantees by Public Companies, and the need of commercial practice, the Company hereby proposes to amend some clauses of the Endorsement and Guarantees Procedures of the Company. Please refer to P41 of Attachment 6 for details.

Resolution:

Discussion No. 3 (Proposed by the Board)

Amendment to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

Explanation:

In order to conform amendments to the Order No.

Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission, and the need of commercial practice, the Company hereby proposes to amend some clauses of the Regulations Governing the Acquisition and Disposal of Assets. Please refer to P43 of Attachment 7 for details.

Resolution:

Discussion No. 4 (Proposed by the Board)

Proposal for the stock dividends for retained earnings transferred to capital (stock)

Explanation: (1) In order to conform the need of operation development in the future, the Company

hereby proposes to distribute stock dividends as NT\$42,175,380 and transfer them to 4,217,538 shares at NT\$10 per share. Because of preceding increase in the capital, the accumulative capital goes to NT\$1,461,521,340.

(2) The stock dividends shall be calculated according to the proportion of shares held by shareholders on the distribution record date. 30 shares newly issued are free for every thousand shares. The rights and obligations of the newly issued shares are as same as existing ones.

(3) The fractional shares resulting from the distribution that do not meet the requirements for one whole share may be combined and registered as whole shares by shareholders within five days from the book disclosure date. Shareholders must register through the agent of stock affairs of the Company. Any unregistered or remaining fractional shares will be liquidated in cash according to their carrying amount. Any residual fractional shares will be transferred without charge to the Employee Welfare Committee of the Company.

(4) If the dividend distribution subsequently affects the number of shares that the Company can participate in the allotment because of buyback of the Company's shares, and of transfer or cancellation of treasury shares, etc., and changes in the distribution ratio of shareholders' dividend need to be amended, the Company proposes to authorize the Chairman to handle and adjust the distribution and ratio.

(5)The preceding proposal may be amended or changed in conform with regulations or approval of the official department in charge. The Company hereby proposes to authorize the Chairman to handle and adjust the distribution at his/her discretion.

(6)After the official department in charge approves the proposal, the Board of Directors will authorize the Chairman to set the ex-right record date aside.

Resolution :

7. Election Matters

The 16th Election of the Board of Directors (including independent directors) (as adopted by the meeting of the Board of Directors). (Proposed by the Board)

Explanation: (1) The office term of the 15th Election of Board of Directors will expire on June 17, 2023. The 16th Board of Directors shall be elected in accordance with Article 195 of the Company Act.

(2) According to the Articles of Incorporation of the Company, It is proposed that nine Directors (including four Independent Directors) shall be elected against the candidates nomination system, and shareholders are required to vote new Directors. The office term for new Board of Directors is 3 years from June 16, 2023 to June 15, 2026.

(3) The name list of the directors candidates nominated as adopted is as follows:

Type	Name of Nominee	Academic Attainments	Past Careers	Amount of Shares Held (Unit: Share)
Director	CHEN, LONG-SHCEI	National Taipei University of Technology	The Chairman of Taiwan Line TEK ELECTRONIC CO., LTD. The Chairman of Sun Moon Lake Hotel The Chairman of Link World Industrial Co., Ltd. The Chairman of Link World Investment Co., Ltd.	2,000,000
Director	HSIEH, KUO-HSIUNG	Sanno University	The Chairman of TAIWAN LINE TEK ELECTRONIC CO., LTD. The Chairman of Longwell Japan Co., Ltd. The Chairman of EVERFULL (HUIZHOU) ELECTRONIC CO., LTD	4,218,327
Director	CHEN, CHIH-MING	Dollinger Master of Real Estate, University of Southern California Master of Science in Hospitality Industry Studies, New York University	The Chairman of Link World Hotel Taichung The Director of Sun Moon Lake Hotel The Director of EVERFULL (HUIZHOU) ELECTRONIC CO., LTD	2,450,000
Corporate Director	HUANG, YEN-FENG Representative of Longwell Company	University of California, San Diego	The vice president of Longwell Company The chairman of Ming-Shu Co., Ltd.	39,466,798
Corporate Director	CHEN, CHIEN-CHIH Representative of Longwell Company	Kyorin University	The Director of Ming-Shu Co., Ltd. The Director of TAIWAN LINE TEK ELECTRONIC CO., LTD.	39,466,798
Independent Director	FENG, BEN-LI	Harvard Business School, MBA of Harvard University	Senior partner of Trans-Pacific Institute LLC The Director of Gateway Education Group	-
Independent Director	LIU, KUO-NAN	Department of Accounting, Fu Jen Catholic University	Qualified in senior examination of accountants in 1996. The Chairman of Great Ocean CPAs & Co.	-
Independent Director	SHEN, HSUEH-JEN	The Graduate Institute of Business Administration at Fu Jen Catholic University	The Vice President of investment, Industrial Technology Investment Corporation Assistant Manager of Zhirong Brand Management Consulting Co., Ltd.	-
Independent Director	LIAO, I-FANG	PhD of Education Department, National Changhua University	The Chairman of Pan Cycle Clean Tech Co., Ltd. The Vice General Manager of First Securities Investment Trust Company Limited	-

Election Result :

8. Other Matters

Matter No. 1: (Proposed by the Board)

Exemption of the non-competition restriction to newly appointed directors.

Explanation: (1) According to Article 209 of the Company Act, Directors shall disclose important information about his/her actions and activities under his/her companies that are related to business field of the Company, in the Shareholders' Meeting. Directors shall devote to the acquisition of shareholders' permission to preceding information.

(2) According to Article 209 of the Company Act, the Company hereby proposes the Shareholders' Meeting to approve the exemption of the non-competition restriction to newly appointed directors.

(3) Please refer to below table for details of current careers and positions of concurrent directors.

(4) Please discuss the matter.

Type	Name of Nominee	Current career and position
Director	CHEN, LONG-SHCEI	<ul style="list-style-type: none"> ● Suzhou Taifeng Technology Co., Ltd. Director ● Longwell Company Director Representative ● Link World Construction Development Co., Ltd. Chairman ● Link World Industrial Co., Ltd. Chairman ● Link World Investment Co., Ltd. Director ● Sun Moon Lake Hotel Co., Ltd. Chairman ● Baoqiang International Development Co., Ltd Chairman
Director	HSIEH, KUO-HSIUNG	<ul style="list-style-type: none"> ● Suzhou Taifeng Technology Co., Ltd Director
Director	CHEN, CHIH-MING	<ul style="list-style-type: none"> ● Linkworld Hotel Taichung Chairman ● San Yuan Industrial Corp. Director ● Link World Investment Co., Ltd. Supervisor ● Sun Moon Lake Hotel Co., Ltd. Director
Corporate Director	HUANG, YEN-FENG Representative of Longwell Company	<ul style="list-style-type: none"> ● Ming-Shu Co., Ltd. Chairman ● Lupo Co., Ltd. Chairman ● Minghui Development and Construction Co., Ltd. Chairman
Corporate Director	CHEN, CHIEN-CHIH Representative of Longwell Company	<ul style="list-style-type: none"> ● Ming-Shu Co., Ltd. Director
Independent Director	SHEN, HSUEH-JEN	<ul style="list-style-type: none"> ● Thermaltake Technology Co., Ltd. Director ● Taiwan Chinsan Electronic Industrial Co., Ltd. Independent Director ● Lida Holdings Limited Independent Director ● The Sunshine Food Co., LTD. Supervisor
Independent Director	LIAO,I-FANG	<ul style="list-style-type: none"> ● Pan Cycle Clean Tech Co., Ltd Chairman

Resolution :

9. Questions and Motions

10. Adjournment

Attachment 1

Business Report

During the past period, when facing those shocks in the market, rising up labor cost and raw material prices, the Company still maintains a consistent business philosophy to develop core technologies and strengthen development of new products. Based on existing basis and structures, the Company executed structural transformation policies in 2022, including upgrades of customers portfolios, products and manufacturing capabilities, and were awarded remarkable results. For upgrades of customers, the Company developed worldwide brand customers and became their top-level suppliers. For upgrades of products, at the beginning the Company targeted on Top 100 customers in the world and mainly focus on consumer electronics products, such as intelligent products, game consoles, high-end notebooks, servers, gaming products and electric vehicle, and decrease of notebooks customers.

At second level of product upgrades, the Company expanded the upgrade basis by adopting A/C and D/C application in products, such as electric vehicles, intelligent products, and data cables, then have those products to replace low-gross-profit products. Besides, the Company will also focus on upgrades and improvements of production management, improve automatic management of Huizhou factory, optimization of Engineering Department, automatic production line of USB Type 4.0 products, PIE (Pre-Installed Embedded Installation) engineering, and process standardization.

The Company's operation direction is toward to high gross margin customers base and to reduce cost. The overall gross margin of 4th quarter in 2022 is higher than ones of other 3 quarters and 2021, and expect it will be higher and higher in the future. Operating revenue is much higher than in 2021. Therefore, EPS hit its highest level in recent seven years.

In 2022, the Company concentrated the production base in Huizhou, Guangdong, China, and expect to work out much better production efficiency and profit. Under the new product portfolio, production amount remains same level as before. Besides, in order to conform with global supply chains adjustment, the Company plans to purchase land in Vietnam and built plants, then enlarge production bases. The spotlight is on capacity expansion outside China in order to grab American customers. At the moment, the Company invested great effort to enter Europe and American markets, and expect to serve our customers nearby, then raise the market share of the Company in global markets.

Besides, construction of Yi Fu Wan Long Xi Industrial Park in Huizhou, Guangdong is under construction. The Company plans it as a large industrial supporting chain industrial park. The three plants of the first phase is close to completion. Except allocation for warehouses and production (connectors and products for vehicles), rest will be on lease and for sale. The second phase of the Industrial Park will be expected to start construction in later half year of 2023. The third phase is under planning.

Regarding the cooperation between the Company and Shenzhen Megaworld Industrial Co., LTD. (Shenzhen Minji Real Estate Development Co., Ltd.) will be used as the project implementing entity in the future), the urban renewal unit of Nanmu Area, Fucheng Street, Longhua District, Shenzhen, was officially approved by the municipal Map Committee on January 18, 2023. The project is located in the southeast of the intersection of Guanlan Avenue and Guanlan Renmin Road in Fucheng Street. The project has been awarded the formal approval from the Longhua District People's Government in Shenzhen on April 28, 2023. There will be a positive injection to the operation of the company in the future.

1. 2022 Business Report

(1) Status about execution and implementation of Business Plan, and the result

The consolidated income of the Company was NT\$4,788,065 thousand and less NT\$138,961 thousand and 2.80% than ones in 2021. The consolidated income (loss, net) after tax was NT\$208,994 thousand, and NT\$91,749 thousand and 78.25% higher than ones in 2021. EPS after tax was NT\$1.48.

(2) Budget execution

The Company did not disclose any financial forecast in 2022. It was not applicable to this subject.

(3) The financial revenue and expenditure, and the analysis of profitability

Item		Years ended December 31	
		2022	2021
Financial Structure %	Ratio of liabilities to assets	45.50	53.44
	Ratio of long-term capital to fixed assets	213.91	276.06
Solvency %	Current Ratio	146.89	142.29
	Quick Ratio	109.03	99.65
	Interest coverage ratio	7.06	10.95
Profitability %	Return on assets (%)	4.40	2.45
	Return on equity (%)	7.96	4.54
	Ratio of Pre-tax net profit to paid-up capital(%)	11.18	9.05
	Net profit ratio (%)	4.36	2.38
	Earnings per share (EPS, NT\$)	1.48	0.83

(4) Status about products development

The Company's R&D team has upgraded the technology to IPX7 waterproof and anti-dust features. The metal components of connectors are with copper alloy surface coated with silver. Their housings are made of engineering plastics. The Company's products are with waterproof and anti-dust features. Besides, the products pass reliability tests, such as plug-in/out test over 50,000 times under unloading condition, high pressure test underweight 500KGS, etc. The teams also design protections on leakage, overvoltage, overloading, overtemperature, and lightening, then provide products with convenient and high-speed charging function. At the moment, the Company's GB (UK) plugs are under pilot runs in worldwide famous factories. The Company will involve in joint research and design with customers from UK, Australia, Korea,..., etc, also cooperate with International famous brand vehicle companies. The high frequency application is as a main technology to improve transmission speed. The speed of the technology could up to 40G bps which is twice as fast as USB3.1 Gen.2 (20G bps). Besides, the Company has already been awarded approval from USB Implementers Forum and at the top of the list. The Company energetically promote related products and provide samples for customers' tests and approvals. The Company's Low Earth Orbit Satellite Constellations connector modules and special wirings are now under EVT (Engineering Verification Test) stage.

2. 2023 Business Plan

(1) Directions of management

- A. The Company will focus on quality, price, customer service-oriented and stable business philosophy and policies, and also adopt guidelines, strategic planning and decision-making with a clear direction, then achieve this year's revenue and profit goals.
- B. The Company will strengthen the organization structures, clearly define duties and responsibilities of each departments, continuously to adhere to the implementation of green environmental protection policies, and make products that comply with RoHS standards. In addition, the Company will also enrich product diversification, develop sources of new customers. In the future, the spotlight will be on cables for electric vehicles. The main direction is to use DC/AC charging for new energy vehicles and adopt the market decentralization policy, then stabilize the operation and management.
- C. Position the core technology in innovation, research and development , and take the innovation and technology as the benchmark for the Company and maintain the Company's competitiveness. The Company will promote the digital transformation to digitalize sales method and management system, then improve management efficiency and competitiveness, and finally operate sustainably.
- D. The Company will build workable and perfect management systems for human resources,

finance, risk and marketing. The Company will fully introduce automation to improve the automation of production line, exercise independent research and development of molds and improve yield rate to provide customers with all-round satisfactions, then offer the best service quality.

E. The Company emphasizes the humanistic management, and has the excellence of talents, technology, and products as the cornerstone of the Company's development. Except innovations and talents, the Company has aggressive attitude to seek for changes. The Company insists on maintaining philosophy of pursuing excellence, and the basic business policy of continuous improvement of technology, productivity and marketing, efforts and steady growth. The Company will continue to pay attention to strengthen employees' loyalties and cohesion, and also encourage them to exercise independent innovations and study continuously, then form a good company culture and atmosphere and keep moving forward to the steady growth.

(2) Sales Forecast

2022 Total sales quantities of power cable and adopters, charging cables, and connector cables were around one hundred and seventy million pieces. Regarding sales forecast in 2023, because of continuous expanding business, development of new customers, growth of the needs of electric vehicles (EV) cables. The Company proposes the forecast as one hundred and eighty-two million pieces, and means the Company will be at stable growth trend.

(3) Important policies of production and sales

A. To provide customers with all-round satisfactions and present the best service quality based on research and development, production and marketing.

B. To improve production efficiency and cost control, and cost optimization, then raise up profit. In addition, the Company will strength the ability of innovation push up the competitiveness.

C. To execute

a. improvements on computer system and production process.

b. research and development on products.

c. to apply for more safety regulations approvals in more countries.

D. To set up automation production lines for new components, parts, and devices. At the same time, to improve the quality and act innovations on product appearances and technologies.

E. The Company will analyze factors in markets: environment, supplies and needs, competitors, policies, regulations, and laws, etc. Then, the Company will formulate production and sales policies suitable for market environments. The Company will aggressively engage in research and developments with worldwide famous factories for intelligent, energy-saving, and medical industrial products.

F. To develop new products fields and related applications, especially target on EV cables

G. According to products categories and market demands, the Company will make corresponding productions plans including layouts of production lines, process, and inventories management, etc. All process will be standardized and modularized. Besides, the Company will optimize some process such as pure manual assembly.

H. To organize site management in details. For example, to set up targets based on item numbers or production lines, then manage production based on achievement. The Company will also make appropriate supply chain management proposal to ensure well cooperation with suppliers and suppliers' items' quality. The competitiveness and market ratio of the Company will be raised up.

3. Development Strategies in the Future

(1) The development strategies of the Company in the futures are under current basis and structure. The Company will execute comprehensive upgrades, including adjustment of customer portfolio structure, products and production management.

(2) The Company will continue to pay attention to strengthen employees' on-the-job professional training, ethical confidentiality agreements, and professional skills. At the same time, the Company will put employees first, and have them to play the most important roles in the

Company and show their professions and talents.

- (3) Considering of overall efficiency, the Company will centralize production in order to facilitate the integration and utilization of the group's resources. Huizhou plant of the Company will gradually expand production capacity, utilize automation production lines newly planned, enhance the products quality, and increase production capacity, then create even greater value. The Company will also establish a plant in Vietnam in order to expand production bases to fulfil needs of international customers.
 - (4) The main direction of products upgrades is to enlarge the field of AC/DC charging items for new energy vehicles, intelligent products, and data cables to replace current products. At the same time, the Company will develop high current products to conform with uses of niche, server, and data center products. The Company will utilize the advantages of its safety regulations approvals and excellent development abilities, then cut into energy-saving products filed.
 - (5) Diversification of products, high unit prices, high gross profit, and niche products are key essences to the Company's development. The Company will develop products according to customers' needs, provide products with diversity, and maximize revenue from same customers.
 - (6) The Company will strengthen the interaction and management with customers, improve sale and execution abilities, and enhance customers' satisfaction and loyalty.
4. Affects from external competition environment, legal environment, and the overall business environment
- (1) In order to face policies and regulation, market changes and competitions, the Company will timely adjust its strategies and operation plan to conform with market demands and competitive environment.
 - (2) The key point of strengthening technology innovations and competitiveness is to apply for and be awarded more and more approvals of safety regulations, especially the approval of IATF 16949 has been awarded already. Based on approvals, the Company are capable to fulfil market demands of energy-saving power cables and wirings, and optimize mold development and new products research, then improve the competitiveness, enhance technology development, and finally minimize operation cost and raise up profit rate.
 - (3) In the view of raw material fluctuations, high oil prices, and exchange rate changes of New Taiwan Dollars, the Company will strengthen purchasing abilities, timely reflect cost to selling prices. The Company will also enhance quality control. Besides, the Company will optimize supply chain management and stabilize reliable supply chain system to push up suppliers' quality and management efficiency, and consequently ensure production operation smoothly and efficiently. At the same time, the Company will continue to strengthen the vertical integration of upstream and downstream industries, in order to reduce raw material cost and maintain the Company's competitiveness and sustainable development.

Looking forward to the future, although the global political and economic situations are volatile, the management team of the Company expect to be positive with innovative thinking, high-efficient execution, uphold the conscientious and invincible spirit, to continue to break through current situation, then move forward and create incredible profits for the shareholders.

Chairman: Long-Shcei Chen
General Manager: Long-Shcei Chen
Chief Accountant : Yi-Jing Chen

Attachment 2

TAIWAN LINE TEK ELECTRONIC CO., LTD. Audit Committee's Review Report on 2022 Financial Statements

The Board of Directors of the Company have presented 2022 the Parent Company Only Financial Statements and the Consolidated Financial Statements. The financial statements were duly certified by Hsiu-Ling Lee and Ming-Chuan Hsu, certified public accountants from the accounting firm Price Water House Coopers Taiwan, were duly submitted in conjunction with the Business Report and Proposal for Deficit Compensation for the Audit Committee's review. The aforementioned Business Report, Financial Statements, and Proposal for Deficit Compensation have been reviewed and determined correct and accurate by the Audit Committee members of Taiwan Line Tek Electronic Co., Ltd. According to Paragraph 4 of Article 14 of the Securities Exchange Law, and Article 219 of the Company Act, we hereby submit this report. Please review and approve the report.

Sincerely,
2023 Shareholders' Meeting
Taiwan Line Tek Electronic Co., Ltd.

Convener of the Audit Committee: Ben-Li Feng

Friday, March 17, 2023

Attachment 3

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 22004865

To the Board of Directors and Shareholders of Taiwan LINE TEK Electronic Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan LINE TEK Electronic Co., Ltd. (the Company) as at December 31, 2022 and 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, based on our audits and reports of other auditors (please refer to the Other matter section), 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, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, 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 2022 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 2022 parent company only financial statements are stated as follows:

Cut-off of revenue from distribution warehouse sales

Description

Please refer to Note 4(28) for accounting policies on revenue recognition. The Company has two primary types of sales, specifically, direct sales from the factory and distribution warehouse sales. For distribution warehouse sales, the Company delivers the goods to the distribution warehouse for pickup by the customer. Revenue is recognised when the customer actually picks up the goods and the control of the goods and the obsolescence and loss risks have been transferred to the customer. The Company recognises sales revenue based on movements of inventories in the distribution warehouse shown in the statements or other information provided by the warehouse custodian.

The Company has several distribution warehouses in several areas and each warehouse has its own custodian. Thus, the contents of information provided by custodians are different and the warehouse sales revenue recognition process involves manual reconciliations. As the Company's daily warehouse sales volume is huge and the transaction amounts around the balance sheet date are material to the financial statements, we consider the cut-off of revenue from distribution warehouse sales a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding and tested the internal control procedures of periodic reconciliations between the Company and customers to assess the effectiveness of internal control used by the management over the timing of revenue recognition for distribution warehouse sales.

2. Performed cut-off test procedures on revenue from distribution warehouse sales recognised during a specific period before and after the balance sheet date, including verifying the supporting documents provided by the warehouse custodian, and ascertaining the movements of inventories and cost of goods sold recognised in the correct period in order to assess the appropriateness of the timing of sales revenue recognition.
3. Confirmed the inventory quantities with warehouse and verified the quantity against accounting records. In addition, inspected the reason for the difference between the confirmation replies and accounting records and tested the reconciling items made by the Company in order to confirm whether the significant differences have been adjusted.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for details of allowance for inventory valuation losses.

As of December 31, 2022, the balances of inventory and allowance for inventory valuation losses were NT\$ 120,776 thousand and (NT\$5,005) thousand, respectively. The Company and its 100% owned subsidiary, Everfull Electronic Co., Limited, which was listed as the investment accounted for using equity method, are primarily engaged in manufacturing, processing and sales of signal connection cables for information peripherals and power transmission cable sets for various computer systems. Due to the short life cycle of electronic products, highly competitive market and high degree of customization, there is a higher risk of inventory losing value. The Company's inventory is stated at the lower of cost and net realisable value. The assessment of the allowance for inventory valuation losses, including identification of obsolete inventory and the determination of net realisable value, often involves management's subjective judgment and a high degree of uncertainty, and the effect of inventory and its allowance for valuation losses on the financial statements is material. Since the aforementioned circumstances were existing in the Company and the Company's 100% owned subsidiary, Everfull Electronic Co., Limited, which was listed as the investment accounted for using equity method, we consider the assessment of allowance for inventory valuation losses for the Company and its subsidiary a key audit matter.

How our audit addressed the matter

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

1. Assessed the reasonableness of provision policies and procedures on allowance for inventory valuation losses based on our understanding of the Company's operations and the characteristics of the industry, including the classification of inventory for determining net realisable value and the reasonableness of determining the obsolescence of inventory.
2. Obtained an understanding of the Company's warehousing control procedures. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the procedures used by the management to identify and control obsolete inventories.
3. Obtained and verified the accuracy of the inventory aging report, and sampled the last movement of inventory before the balance sheet date in order to verify the accuracy of aging range and evaluated the reasonableness of the allowance for inventory valuation losses on older inventories.
4. Obtained and verified the accuracy of the net realisable value report of inventory, including verifying against supporting documents such as sales contracts and related purchase evidence, and recalculated and evaluated the reasonableness of the allowance for inventory valuation losses.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$224,352 thousand and NT\$605,911 thousand, constituting 7% and 15% of the total assets as at December 31, 2022 and 2021, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$2,892 thousand and (NT\$11,460) thousand, constituting 1% and (13%) of the total comprehensive income for the years then ended, respectively.

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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lee, Hsiu-Ling

Hsu, Ming-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022 AMOUNT	December 31, 2021 AMOUNT
Current assets			
1100	Cash and cash equivalents	\$ 373,949	\$ 63,375
1150	Notes receivable, net	3,899	1,956
1170	Accounts receivable, net	796,297	1,052,404
1180	Accounts receivable due from related parties, net	11,298	10,289
1200	Other receivables	1,180	2,647
1210	Other receivables due from related parties	682,095	509,956
1220	Current tax assets	-	2,130
130X	Inventories	115,771	132,596
1410	Prepayments	2,263	380,562
1470	Other current assets	73	300
11XX	Total current assets	<u>1,986,825</u>	<u>2,156,215</u>
Non-current assets			
1517	Non-current financial assets at fair value through other comprehensive income	6,624	3,030
1535	Non-current financial assets at amortised cost	614	554
1550	Investments accounted for using equity method	1,202,962	1,543,576
1600	Property, plant and equipment	61,918	62,507
1755	Right-of-use assets	4,895	6,209
1760	Investment property, net	104,368	105,958
1780	Intangible assets	92	19
1840	Deferred tax assets	31,448	62,807
1900	Other non-current assets	238	278
15XX	Total non-current assets	<u>1,413,159</u>	<u>1,784,938</u>
1XXX	Total assets	<u>\$ 3,399,984</u>	<u>\$ 3,941,153</u>

(Continued)

TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022 AMOUNT	December 31, 2021 AMOUNT
Current liabilities				
2100	Short-term borrowings	6(11)	\$ 460,000	\$ 903,810
2120	Current financial liabilities at fair value through profit or loss	6(12)	86	-
2150	Notes payable		1,805	1,618
2170	Accounts payable		615	2,175
2180	Accounts payable to related parties	7	12,992	-
2200	Other payables		42,834	40,903
2220	Other payables to related parties	7	-	100,048
2230	Current tax liabilities		26,738	22,937
2280	Current lease liabilities		1,497	1,009
2320	Long-term liabilities, current portion	6(13)	48,000	48,000
2399	Other current liabilities, others		52,064	51,919
21XX	Total Current liabilities		<u>646,631</u>	<u>1,172,419</u>
Non-current liabilities				
2540	Long-term borrowings	6(13)	80,000	80,000
2570	Deferred tax liabilities	6(26)	5,319	110,367
2580	Non-current lease liabilities		1,082	2,932
2600	Other non-current liabilities		3,879	5,073
25XX	Total non-current liabilities		<u>90,280</u>	<u>198,372</u>
2XXX	Total liabilities		<u>736,911</u>	<u>1,370,791</u>
Equity				
Share capital		6(15)		
3110	Ordinary share		1,419,346	1,419,346
Capital surplus		6(16)		
3200	Capital surplus		273,176	271,963
Retained earnings		6(17)		
3310	Legal reserve		337,871	326,115
3320	Special reserve		227,612	227,612
3350	Unappropriated retained earnings (accumulated deficit)		649,239	536,197
Other equity interest		6(18)		
3400	Other equity interest		(206,032)	(210,871)
3500	Treasury shares	6(15)	(38,139)	-
3XXX	Total equity		<u>2,663,073</u>	<u>2,570,362</u>
Significant contingent liabilities and unrecognised contract commitments		7 and 9		
Significant events after the balance sheet date		11		
3X2X	Total liabilities and equity		<u>\$ 3,399,984</u>	<u>\$ 3,941,153</u>

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

TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

		Year ended December 31	
		2022	2021
Items	Notes	AMOUNT	AMOUNT
4000	Operating revenue	\$ 2,481,945	\$ 3,142,463
5000	Operating costs	(2,347,682)	(2,880,011)
5900	Gross profit from operations	134,263	262,452
	Operating expenses		
6100	Selling expenses	(25,999)	(35,285)
6200	General and administrative expenses	(63,551)	(63,697)
6300	Research and development expenses	(23,534)	(22,897)
6450	Expected credit gain	23	41
6000	Total operating expenses	(113,061)	(121,838)
6900	Net operating income	21,202	140,614
	Non-operating income and expenses		
7100	Interest income	8,383	903
7010	Other income	12,487	12,708
7020	Other gains and losses	197,269	(30,298)
7050	Finance costs	(11,515)	(10,064)
7070	Share of profit of subsidiaries, associates joint ventures accounted for using equity method	(69,031)	(17,896)
7000	Total non-operating income and expenses	137,593	(44,647)
7900	Profit before tax	158,795	95,967
7950	Income tax benefit	50,199	21,278
8000	Profit (loss) from continuing operations	208,994	117,245
8200	Profit for the years	<u>\$ 208,994</u>	<u>\$ 117,245</u>
	Other comprehensive income		
	Components of other comprehensive income that will not be reclassified to profit or loss		
8311	Gains on remeasurements of defined benefit plans	\$ 1,074	\$ 396
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	3,594	(26,593)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(828)	5,239
8310	Components of other comprehensive income that will not be reclassified to profit or loss	3,840	(20,958)
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation of foreign financial statements	2,455	(12,171)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(491)	2,434
8360	Components of other comprehensive income that will be reclassified to profit or loss	1,964	(9,737)
8300	Other comprehensive income	<u>\$ 5,804</u>	<u>(\$ 30,695)</u>
8500	Total comprehensive income	<u>\$ 214,798</u>	<u>\$ 86,550</u>
	Earnings per share		
9750	Basic earnings per share	\$ 1.48	\$ 0.83
9850	Diluted earnings per share	\$ 1.47	\$ 0.82

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

TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Notes	Capital Reserves				Retained Earnings			Other equity interest			Treasury shares	Total equity
	Ordinary share	Capital surplus, additional paid-in capital	Capital Surplus, changes in ownership interests in subsidiaries	Capital surplus, others	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
Year ended December 31, 2021												
	Balance at January 1, 2021	\$ 1,419,346	\$ 270,701	\$ -	\$ 1,197	\$ 314,498	\$ 244,103	\$ 527,309	(\$ 118,032)	(\$ 61,827)	\$ -	\$ 2,597,295
	Profit for the year	-	-	-	-	-	-	117,245	-	-	-	117,245
	Other comprehensive loss for the year	-	-	-	-	-	-	317	(9,737)	(21,275)	-	(30,695)
	Total comprehensive income	-	-	-	-	-	-	117,562	(9,737)	(21,275)	-	86,550
	Unclaimed overdue dividends by shareholders	-	-	-	65	-	-	-	-	-	-	65
	Appropriation and distribution of 2020 retained earnings (6)(17)											
	Legal reserve appropriated	-	-	-	-	11,617	-	(11,617)	-	-	-	-
	Reversal of special reserve	-	-	-	-	-	(16,491)	16,491	-	-	-	-
	Cash dividends	-	-	-	-	-	-	(113,548)	-	-	-	(113,548)
	Balance at December 31, 2021	\$ 1,419,346	\$ 270,701	\$ -	\$ 1,262	\$ 326,115	\$ 227,612	\$ 536,197	(\$ 127,769)	(\$ 83,102)	\$ -	\$ 2,570,362
Year ended December 31, 2022												
	Balance at January 1, 2022	\$ 1,419,346	\$ 270,701	\$ -	\$ 1,262	\$ 326,115	\$ 227,612	\$ 536,197	(\$ 127,769)	(\$ 83,102)	\$ -	\$ 2,570,362
	Profit for the year	-	-	-	-	-	-	208,994	-	-	-	208,994
	Other comprehensive income for the year	-	-	-	-	-	-	965	1,964	2,875	-	5,804
	Total comprehensive income	-	-	-	-	-	-	209,959	1,964	2,875	-	214,798
	Unclaimed overdue dividends by shareholders	-	-	-	82	-	-	-	-	-	-	82
	Recognised changes in ownership interests in subsidiaries	-	-	1,131	-	-	-	-	-	-	-	1,131
	Appropriation and distribution of 2021 retained earnings (6)(17)											
	Legal reserve appropriated	-	-	-	-	11,756	-	(11,756)	-	-	-	-
	Cash dividends	-	-	-	-	-	-	(85,161)	-	-	-	(85,161)
	Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	(38,139)	(38,139)
	Balance at December 31, 2022	\$ 1,419,346	\$ 270,701	\$ 1,131	\$ 1,344	\$ 337,871	\$ 227,612	\$ 649,239	(\$ 125,805)	(\$ 80,227)	(\$ 38,139)	\$ 2,663,073

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

TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 158,795	\$ 95,967
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(7)(8)(10)(24)	3,794	3,841
Amortisation expense	6(24)	31	23
Reversal of Impairment Loss in expected credit	12(2)	(23)	(41)
Net gains on financial liabilities at fair value through profit or loss	6(12)(22)	(54)	(280)
Interest paid	6(23)	11,515	10,064
Interest revenue	6(20)	(8,383)	(903)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	69,031	17,896
Allowance for inventory write-down(Gain from price recovery of inventory)		(2,468)	4,554
Gains on disposals of property, plant and equipment	6(7)(22)	-	(110)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(1,943)	1,674
Accounts receivable, net		255,121	395,724
Other receivables		1,467	(1,313)
Other receivables due from related parties		(172,139)	9,526
Inventories		19,293	14,642
Prepayments		288,434	(380,208)
Other current assets		227	(190)
Changes in operating liabilities			
Notes payable		187	88
Accounts payable		(1,560)	723
Accounts payable to related parties		12,992	(485,560)
Other payables		1,931	(1,978)
Other current liabilities		463	(10,821)
Accrued pension liabilities		14	(1)
Cash inflow (outflow) generated from operations		636,725	(326,683)
Dividends received	6(6) and 7	136,000	46,000
Interest received		8,383	903
Interest expense		(11,515)	(10,064)
Income tax paid		(19,012)	(5,597)
Net cash flows from (used in) operating activities		<u>750,581</u>	<u>(295,441)</u>

(Continued)

TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(7)	(\$ 301)	(\$ 122)
Proceeds from disposal of property, plant and equipment		-	443
Acquisition of intangible assets		(104)	-
Proceeds from capital reduction of investments accounted	6(6) and 7	229,034	71,990
Decrease in other non-current assets		40	50
Net cash flows from investing activities		<u>228,669</u>	<u>72,361</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	3,187,658	4,141,694
Decrease in short-term borrowings	6(29)	(3,632,543)	(3,992,359)
Repayments of long-term debt	6(29)	(128,000)	(78,000)
Proceeds from long-term debt	6(29)	128,000	128,000
Payments of lease liabilities	6(29)	(1,680)	(2,396)
Other payables to related parties		(100,048)	100,048
Repurchase of treasury shares	6(15)	(38,139)	-
Cash dividends paid	6(17)	(85,161)	(113,548)
Unclaimed overdue dividends by shareholders		82	65
Net cash flows (used in) from financing activities		<u>(669,831)</u>	<u>183,504</u>
		<u>1,155</u>	<u>(1,282)</u>
Net increase (decrease) in cash and cash equivalents		310,574	(40,858)
Cash and cash equivalents at beginning of year		<u>63,375</u>	<u>104,233</u>
Cash and cash equivalents at end of year		<u>\$ 373,949</u>	<u>\$ 63,375</u>

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

Attachment 4

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 22005112

To the Board of Directors and Shareholders of Taiwan LINE TEK Electronic Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan LINE TEK Electronic Co., Ltd. and subsidiaries (the Group) as at December 31, 2022 and 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, based on our audits and reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, 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 2022 the 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 2022 the consolidated financial statements are stated as follows:

Cut-off of revenue from distribution warehouse sales

Description

Please refer to Note 4(28) for accounting policies on revenue recognition. The Group has two primary types of sales, specifically, direct sales from the factory and distribution warehouse sales. For distribution warehouse sales, the Group deliveries the goods to the distribution warehouse for pickup by the customer. Revenue is recognised when the customer actually picks up the goods and the control of the goods and the obsolescence and loss risks have been transferred to the customer. The Group recognises sales revenue based on movements of inventories in the distribution warehouse shown in the statements or other information provided by the warehouse custodian.

The Group has several distribution warehouses in several areas and each warehouse has its own custodian. Thus, the contents of information provided by custodians are different and the warehouse sales revenue recognition process involves manual reconciliations. As the Group's daily warehouse sales volume is huge and the transaction amounts around the balance sheet date are material to the financial statements, we consider the cut-off of revenue from distribution warehouse sales a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding and tested the internal control procedures of periodic reconciliations between the Group and customers to assess the effectiveness of internal control used by the management over the timing of revenue recognition for distribution warehouse sales.

2. Performed cut-off test procedures on revenue from distribution warehouse sales recognised during a specific period before and after the balance sheet date, including verifying the supporting documents provided by the warehouse custodian, and ascertaining the movements of inventories and cost of goods sold recognised in the correct period in order to assess the appropriateness of the timing of sales revenue recognition.
3. Confirmed the inventory quantities with warehouse and verified the quantity against accounting records. In addition, inspected the reason for the difference between the confirmation replies and accounting records and tested the reconciling items made by the Group in order to confirm whether the significant differences have been adjusted.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(14) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(6) for details of allowance for inventory valuation losses.

As of December 31, 2022, the balances of inventory and allowance for inventory valuation losses were NT\$ 802,933 thousand and (NT\$65,513) thousand, respectively. The Group is primarily engaged in manufacturing, processing and sales of signal connection cables for information peripherals and power transmission cable sets for various computer systems. Due to the short life cycle of electronic products, highly competitive market and high degree of customization, there is a higher risk of inventory losing value. The Group's inventory is stated at the lower of cost and net realisable value. The assessment of the allowance for inventory valuation losses, including identification of obsolete inventory and the determination of net realisable value, often involves management's subjective judgment and a high degree of uncertainty, and the effect of inventory and its allowance for valuation losses on the financial statements is material. We consider the assessment of allowance for inventory valuation losses for the Group a key audit matter.

How our audit addressed the matter

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

1. Assessed the reasonableness of provision policies and procedures on allowance for inventory valuation losses based on our understanding of the Group's operations and the characteristics of the industry, including the classification of inventory for determining net realisable value and the reasonableness of determining the obsolescence of inventory.
2. Obtained an understanding of the Group's warehousing control procedures. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the procedures used by the management to identify and control obsolete inventories.
3. Obtained and verified the accuracy of the inventory aging report, and sampled the last movement of inventory before the balance sheet date in order to verify the accuracy of aging range and evaluated the reasonableness of the allowance for inventory valuation losses on older inventories.
4. Obtained and verified the accuracy of the net realisable value report of inventory, including verifying against supporting documents such as sales contracts and related purchase evidence, and recalculated and evaluated the reasonableness of the allowance for inventory valuation losses.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these subsidiaries amounted to NT\$124,966 thousand and NT\$167,355 thousand, constituting 3% and 3% of the total assets as at December 31, 2022 and 2021, respectively, and the operating revenue recognised from subsidiaries amounted to NT\$569 thousand and NT\$33,585 thousand, constituting 0% and 1% of the total operating revenue for the years then ended, respectively.

Other matter-Parent company only financial statements

We have audited and expressed an unqualified opinion and an unqualified opinion with an other matters section on the parent company only financial statements of Taiwan LINE TEK Electronic Co., Ltd. as at and for the years ended December 31, 2022 and 2021, respectively

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 that came into effect 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 the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lee, Hsiu-Ling

Hsu, Ming-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 476,316	10	\$ 591,159	11
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	104,163	2
1150	Notes receivable, net	6(5)	47,610	1	8,732	-
1170	Accounts receivable, net	6(5)	1,605,813	32	1,984,962	36
1200	Other receivables		38,870	1	14,284	-
1220	Current tax assets		6	-	2,147	-
130X	Inventories	6(6)	737,420	15	1,120,991	20
1410	Prepayments		15,389	-	36,396	1
1470	Other current assets		73	-	301	-
11XX	Current assets		<u>2,921,497</u>	<u>59</u>	<u>3,863,135</u>	<u>70</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	-	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	6,624	-	3,030	-
1535	Non-current financial assets at amortised cost	6(4)	614	-	554	-
1550	Investments accounted for using equity method, net	6(7)	180,528	4	164,320	3
1600	Property, plant and equipment	6(8)	1,372,556	28	1,016,137	18
1755	Right-of-use assets	6(9)	203,374	4	206,211	4
1760	Investment property, net	6(11)	200,593	4	196,758	4
1780	Intangible assets		1,789	-	515	-
1840	Deferred tax assets	6(28)	31,448	1	62,807	1
1900	Other non-current assets		6,035	-	6,693	-
15XX	Non-current assets		<u>2,003,561</u>	<u>41</u>	<u>1,657,025</u>	<u>30</u>
1XXX	Total assets		<u>\$ 4,925,058</u>	<u>100</u>	<u>\$ 5,520,160</u>	<u>100</u>

(Continued)

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND STOCKHOLDERS' EQUITY		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 689,748	14	\$ 1,334,570	24
2120	Financial liabilities at fair value through profit or loss - current	6(2)	86	-	-	-
2150	Notes payable		1,836	-	1,765	-
2170	Accounts payable		615,196	12	780,594	14
2200	Other payables	6(13) and 7	271,526	5	353,466	6
2230	Current tax liabilities		26,767	1	53,732	1
2280	Current lease liabilities		1,497	-	1,009	-
2310	Advance receipts	6(14)	285,437	6	90,855	2
2320	Long-term liabilities, current portion	6(15)	48,000	1	48,000	1
2399	Other current liabilities, others		48,795	1	50,934	1
21XX	Total current liabilities		<u>1,988,888</u>	<u>40</u>	<u>2,714,925</u>	<u>49</u>
Non-current liabilities						
2540	Long-term borrowings	6(15)	215,896	4	80,000	1
2570	Deferred tax liabilities	6(28)	5,319	-	110,367	2
2580	Non-current lease liabilities		1,082	-	2,932	-
2600	Other non-current liabilities	6(16)	29,914	1	41,574	1
25XX	Non-current liabilities		<u>252,211</u>	<u>5</u>	<u>234,873</u>	<u>4</u>
2XXX	Total liabilities		<u>2,241,099</u>	<u>45</u>	<u>2,949,798</u>	<u>53</u>
Equity attributable to owners of parent						
Share capital						
3110	Ordinary share	6(17)	1,419,346	29	1,419,346	26
Capital surplus						
3200	Capital surplus	6(18)	273,176	6	271,963	5
Retained earnings						
3310	Legal reserve	6(19)	337,871	7	326,115	6
3320	Special reserve		227,612	5	227,612	4
3350	Unappropriated retained earnings (accumulated deficit)		649,239	13	536,197	10
Equity interest						
3400	Other equity interest	6(20)	(206,032)	(5)	(210,871)	(4)
3500	Treasury shares	6(17)	(38,139)	(1)	-	-
31XX	Equity attributable to owners of parent		<u>2,663,073</u>	<u>54</u>	<u>2,570,362</u>	<u>47</u>
36XX	Non-controlling interests	6(30)	<u>20,886</u>	<u>1</u>	<u>-</u>	<u>-</u>
3XXX	Total equity		<u>2,683,959</u>	<u>55</u>	<u>2,570,362</u>	<u>47</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and stockholders' equity		<u>\$ 4,925,058</u>	<u>100</u>	<u>\$ 5,520,160</u>	<u>100</u>

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

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings (losses) per share amount)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(21)	\$ 4,788,065	100	\$ 4,926,026	100
5000	Operating costs	6(6)(26)(27)	(4,381,675)	(92)	(4,621,587)	(94)
5900	Gross profit from operations		406,390	8	304,439	6
	Operating expenses	6(26)(27) and 7				
6100	Selling expenses		(148,290)	(3)	(164,145)	(3)
6200	General and administrative expenses		(148,695)	(3)	(202,173)	(4)
6300	Research and development expenses		(64,153)	(1)	(85,798)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(23,978)	(1)	2,400	-
6000	Total operating expenses		(385,116)	(8)	(449,716)	(9)
6900	Net operating income (loss)		21,274	-	(145,277)	(3)
	Non-operating income and expenses					
7100	Interest income	6(22)	3,186	-	1,912	-
7010	Other income	6(23)	79,454	2	52,996	1
7020	Other gains and losses	6(24)	67,428	1	222,100	5
7050	Finance costs	6(25) and 7	(26,184)	-	(12,904)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7) and 7	13,545	-	9,580	-
7000	Total non-operating income and expenses		137,429	3	273,684	6
7900	Profit (loss) before tax		158,703	3	128,407	3
7950	Income tax expense (benefit)	6(28)	50,291	1	(11,162)	-
8000	Profit (loss) from continuing operations		208,994	4	117,245	3
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(16)	1,074	-	396	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	3,594	-	(26,593)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)(28)	(828)	-	5,239	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		3,840	-	(20,958)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(20)	2,455	-	(12,171)	-
8399	Income tax relating to the components of other comprehensive income	6(20)(28)	(491)	-	2,434	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		1,964	-	(9,737)	-
8300	Other comprehensive income, net		\$ 5,804	-	(\$ 30,695)	(1)
8500	Total comprehensive income		\$ 214,798	4	\$ 86,550	2
	Profit (loss), attributable to					
8610	Owners of the parent		\$ 208,994	4	\$ 117,245	3
8620	Non-controlling interests		\$ -	-	\$ -	-
	Comprehensive income attributable to					
8710	Owners of the parent		\$ 214,798	4	\$ 86,550	2
8720	Non-controlling interests		\$ -	-	\$ -	-
	Earnings per share	6(29)				
9750	Total basic earnings per share		\$ 1.48		\$ 0.83	
9850	Total diluted earnings per share		\$ 1.47		\$ 0.82	

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

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent												
		Capital Reserves			Retained Earnings			Other equity interest						
		Ordinary share	Capital surplus, additional paid-in capital	Capital Surplus, changes in ownership interests in subsidiaries	Capital surplus, others	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Total exchange differences on translation of foreign financial statements	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total equity
Notes														
Year 2021														
		\$ 1,419,346	\$ 270,701	\$ -	\$ 1,197	\$ 314,498	\$ 244,103	\$ 527,309	(\$ 118,032)	(\$ 61,827)	\$ -	\$ 2,597,295	\$ -	\$ 2,597,295
		-	-	-	-	-	-	117,245	-	-	-	117,245	-	117,245
	6(20)	-	-	-	-	-	-	317	(9,737)	(21,275)	-	(30,695)	-	(30,695)
		-	-	-	-	-	-	117,562	(9,737)	(21,275)	-	86,550	-	86,550
		-	-	-	65	-	-	-	-	-	-	65	-	65
	6(19)	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	11,617	-	(11,617)	-	-	-	-	-	-
		-	-	-	-	-	-	16,491	-	-	-	-	-	-
		-	-	-	-	-	-	(113,548)	-	-	-	(113,548)	-	(113,548)
		\$ 1,419,346	\$ 270,701	\$ -	\$ 1,262	\$ 326,115	\$ 227,612	\$ 536,197	(\$ 127,769)	(\$ 83,102)	\$ -	\$ 2,570,362	\$ -	\$ 2,570,362
Year 2022														
		\$ 1,419,346	\$ 270,701	\$ -	\$ 1,262	\$ 326,115	\$ 227,612	\$ 536,197	(\$ 127,769)	(\$ 83,102)	\$ -	\$ 2,570,362	\$ -	\$ 2,570,362
		-	-	-	-	-	-	208,994	-	-	-	208,994	-	208,994
	6(20)	-	-	-	-	-	-	965	1,964	2,875	-	5,804	-	5,804
		-	-	-	-	-	-	209,959	1,964	2,875	-	214,798	-	214,798
		-	-	-	82	-	-	-	-	-	-	82	-	82
	6(30)	-	-	1,131	-	-	-	-	-	-	-	1,131	-	1,131
	6(19)	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	11,756	-	(11,756)	-	-	-	-	-	-
		-	-	-	-	-	-	(85,161)	-	-	-	(85,161)	-	(85,161)
	6(17)	-	-	-	-	-	-	-	-	-	-	(38,139)	-	(38,139)
	6(30)	-	-	-	-	-	-	-	-	-	-	-	20,886	20,886
		\$ 1,419,346	\$ 270,701	\$ 1,131	\$ 1,344	\$ 337,871	\$ 227,612	\$ 649,239	(\$ 125,805)	(\$ 80,227)	(\$ 38,139)	\$ 2,663,073	\$ 20,886	\$ 2,683,959

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

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 158,703	\$ 128,407
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(8)(9)(11)(24)(26)	87,742	89,777
Amortisation expense	6(26)	453	222
Impairment loss (impairment gain and reversal of impairment loss)	12(2)	23,978	(2,400)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(24)	32,129	(238,344)
Interest expense	6(25)	26,184	12,904
Interest income	6(22)	(3,186)	(1,912)
Dividend income	6(23)	(186)	(1,158)
Share of profit of associates and joint ventures accounted for using equity method		(13,545)	(9,580)
Allowance for inventory write-down(Gain from price recovery of inventory)	6(6)	20,941	(26)
Losses (gains) on disposals of property and equipment	6(24)	(25)	321
Gains on disposals of investments	6(24)	-	(2,227)
Profit from lease modification	6(24)	-	(228)
Impairment loss recognised in profit or loss, intangible assets other than goodwill	6(24)	-	234
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		72,034	296,251
Notes receivable, net		(38,772)	15,776
Accounts receivable, net		379,150	(176,314)
Other receivables		(24,422)	(1,737)
Inventories		362,630	(218,094)
Prepayments		21,007	27,647
Other current assets		228	(191)
Changes in operating liabilities			
Notes payable		71	235
Accounts payable		(177,542)	(33,795)
Other payables		(81,940)	(9,293)
Advance receipts		307	314
Other current liabilities		(2,139)	(8,644)
Accrued pension liabilities		(1,074)	(396)
Cash inflow (outflow) generated from operations		842,726	(132,251)
Dividends received		186	1,158
Interest received		3,186	1,912
Interest paid		(26,184)	(12,904)
Income tax paid		(49,676)	(11,696)
Net cash flows from (used in) operating activities		<u>770,238</u>	<u>(153,781)</u>

(Continued)

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(31)	(\$ 435,852)	(\$ 77,939)
Proceeds from disposal of property, plant and equipment		3,247	580
Decrease (increase) in guarantee deposits paid		515	(532)
Increase in prepayments for business facilities		-	(1,337)
Proceeds from disposal of investments accounted for using equity method	7	-	22,099
Increase (decrease) in other non-current assets		246	(531)
Net cash flows used in investing activities		(431,844)	(57,660)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(32)	3,864,328	4,598,770
Decrease in short-term loans	6(32)	(4,525,769)	(4,013,758)
Repayments of long-term debt	6(32)	(128,000)	(120,013)
Proceeds from long-term debt	6(32)	263,896	128,000
Payments of lease liabilities	6(32)	(1,680)	(6,327)
Increase (decrease) in refundable deposit		(11,023)	25,861
Repurchase of treasury shares	6(17)	(38,139)	-
Investment received in advance	6(14)	194,274	86,830
Cash dividends paid	6(19)	(85,161)	(113,548)
Unclaimed overdue dividends by shareholders		82	65
Increase in non-controlling interests	6(30)	20,886	-
Net cash flows (used in) from financing activities		(446,306)	585,880
Effect of exchange rate changes on cash and cash equivalents		(6,931)	1,390
Net (decrease) increase in cash and cash equivalents		(114,843)	375,829
Cash and cash equivalents at beginning of year		591,159	215,330
Cash and cash equivalents at end of year		\$ 476,316	\$ 591,159

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

Attachment 5

Table of the Amendment of the Articles of Incorporation

Current Version	Amendment Version	Remark
(Addition)	Article 7-2: For the buy-back shares, share subscription warrants, new shares issued after capital increase, and restricted shares with restrictions on employee rights that the Company buy back or issue according to law, the counter parties shall be employees of holding companies or subsidiaries.	⊙ According to Article 167-1 and 267 of the Company Act.
Article 13: Regarding resolutions adopted at shareholders' meetings, unless otherwise provided for by law, they shall be by majorities of the shareholders or their proxies present who represent half or more of the total number of their outstanding shares. <u>However, resolutions adopted for following acts shall be by majorities of the shareholders or their proxies present who represent two-thirds or more of the total number of their outstanding shares: Purchase or merge other domestic or foreign enterprises.</u> 1. <u>Purchase or merge other domestic or foreign enterprises.</u> 2. <u>Dissolvment, liquidation, or split-up of the Company.</u>	Article 13: Regarding resolutions adopted at shareholders' meetings, unless otherwise provided for by law, they shall be by majorities of the shareholders or their proxies present who represent half or more of the total number of their outstanding shares. <u>The voting right at a shareholders' meeting may be exercised inwriting or by way of electronic transmission. A shareholder who exercises his/her/its voting right at a shareholders meeting in writing or by way of electronic trans mission as set forth in the preceding paragraph shall be deemed to have attended the said shareholders' meeting in person according to related laws and regulations.</u>	⊙ According to Article 177-1 of the Company Act.
Article 17-1: Remuneration of Directors of the Company may be paid at such level as generally adopted by the Company of the same domestic or foreign industries.	Article 17-1 Remuneration <u>and travel expenses</u> of the directors are authorized to resolve by the Board of Directors in accordance with <u>the evaluation of the Remuneration Committee of the Company</u> and at level as generally adopted by the same domestic or foreign industries.	⊙ In accordance with actual operation of the Company
Article 21: Travel expenses of all directors shall be resolved by the Board of Directors.	Article 21: (Deleted)	⊙ This Article has been included in Article 17-1.
Article 24: (The preceding content omitted) According to relevant regulations, after the appropriation or reversal of special capital reserves, the Board of Directors will formulate a earnings distribution plan based on accumulated unappropriated earnings and submit it to the shareholders' meeting for resolution. If the preceding earnings distribution, legal capital reserve, and capital surplus are expected to be paid by cash, the Board of Directors are authorized to adopt the resolution by majorities of two-thirds or more of the total number of present directors, and report the resolution to the shareholders' meeting. The aforementioned resolutions adopted by shareholders meetings are not applicable	Article 24: (The preceding content omitted) According to relevant regulations, after the appropriation or reversal of special capital reserves, the Board of Directors will formulate a earnings distribution plan based on accumulated unappropriated earnings and submit it to the shareholders' meeting for resolution.	⊙ In accordance with actual operation of the Company

Current Version	Amendment Version	Remark
to distributions by cash.		
<p>Article 24-1 The preceding the remunerations of employees and directors shall be adopted resolutions by majorities of two-thirds or more of the total number of present directors, and report the resolution to the shareholders' meeting. Employees' remunerations may be paid by stocks or cash, and employees shall be ones who meet certain conditions. If the Employees' remunerations are paid by stock, the Board of Directors shall adopt resolution on numbers of distribution shares and their total amount. Besides, remunerations of directors are restrict to be paid by cash.</p>	<p>Article 24-1 The preceding the remunerations of employees and directors shall be adopted resolutions by majorities of two-thirds or more of the total number of present directors, and report the resolution to the shareholders' meeting. Employees' remunerations may be paid by stocks or cash, and employees shall be ones of <u>holding</u> companies or subsidiaries. If the Employees' remunerations are paid by stock, the Board of Directors shall adopt resolution on numbers of distribution shares and their total amount. Besides, remunerations of directors are restrict to be paid by cash.</p>	<p>◎ According to Article 235-1 of the Company Act.</p>
<p>Article 24-2 The dividends policies of the Company adopted are steady and balanced. Considering profit status, financial structure, and development in the future, the Company will allocate no less than 10% cash dividends from current fiscal year distributions shares. <u>However, the Board of Directors may adjust distributions in accordance with actual operation and capital plans.</u></p>	<p>Article 24-2 The dividends policies of the Company adopted are steady and balanced. Considering profit status, financial structure, and development in the future, the Company will allocate no less than 10% cash dividends from current fiscal year distributions shares.</p>	<p>◎ In accordance with actual operation of the Company</p>
<p>Article 26: (omitted) 30th amendment was made on June 18, 2020. 31st amendment was made on June 17, 2022.</p>	<p>Article 26: (omitted) 30th amendment was made on June 18, 2020. 31st amendment was made on June 17, 2022. <u>32nd amendment was made on June 16, 2023.</u></p>	<p>◎ Addition of the date of the 32nd amendment</p>

Attachment 6

Table of Amendment of Management and Procedures of Endorsement and Guarantees

Current Version	Amendment Version	Remark
Article 6-2-2 The ceiling amount of endorsement / guarantee provided by the Company for its subsidiaries shall not exceed 50% of the net worth of the most recent financial statements of the Company.	Article 6-2-2 The ceiling amount of endorsement / guarantee provided by the Company for <u>entire</u> subsidiaries shall not exceed 50% of the net worth of the most recent financial statements of the Company.	◎ Amendment to the wordings.
Article 6-2-3 1. The ceiling amount of endorsement/guarantee provided by the Company for any other entity shall not exceed 20% of the net worth of the most recent financial statements of the Company. The Company may make endorsements / guarantees for subsidiaries which the Company directly or indirectly holds 100% of the voting shares. The ceiling amount of endorsement / guarantee provided by the Company for any other entity shall not exceed 30% of the net worth of the most recent financial statements of the Company.	Article 6-2-3 1.The ceiling amount of endorsement/guarantee provided by the Company for any other entity shall not exceed 30% of the net worth of the most recent financial statements of the Company. The Company may make endorsements / guarantees for subsidiaries or entities which the Company directly or indirectly holds 100% of the voting shares, and the ceiling amount of endorsement / guarantee provided by the Company for any other entity shall not exceed 50% of the net worth of the most recent financial statements of the Company.	◎ In accordance with actual operation of the Company
Article 6-2-5 Companies in which the Company holds, directly or indirectly, 90%, or more of the voting shares may make endorsements / guarantees for each other, and the ceiling amount of endorsements / guarantees may not exceed 10% of the net worth of the Company.	Article 6-2-5 Companies in which the Company holds, directly or indirectly, 90%, or more of the voting shares may make endorsements / guarantees for each other, and the ceiling amount of endorsements / guarantees may not exceed 10% of the net worth of the Company. The regulation is not applicable to that the Company directly or indirectly holds 100% of the voting shares of entities.	◎ Amendment in accordance with laws and regulations.
Article 6-2-6 Companies in which the Company <u>directly or indirectly holds 100% of the voting shares</u> may make <u>endorsements / guarantees for each other</u> , and the ceiling amount shall not exceed 50% of the net worth of the Company.	Article 6-2-6 If the aggregate amount of endorsements / guarantees that is <u>set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the Company's Shareholders' Equity, an explanation of the necessity and reasonableness thereof shall be given at the Shareholders' Meeting.</u>	◎ In accordance with actual operation of the Company
Article 6-2-7 The aggregate amount of endorsements / guarantees provided by the Company and its subsidiaries shall not exceed 5 % of the Company's net worth. ※Remark: <u>If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its Subsidiaries as a whole reaches 50% or more of the Company's Shareholders' Equity, the Company shall propose a amendment to the procedures for the Audit Committees' approval and require an adoption on resolution from the Board of Directors. An explanation of the necessity and reasonableness thereof shall be given</u>	(Deleted)	

Current Version	Amendment Version	Remark
<p><u>at the Shareholders' Meeting.</u></p> <p>Article 6-4-1 The standards of Announcements and Reports a) ~ d) omitted. e) If there is any reporting and announcement required for the Company's subsidiary which is not a Taiwanese public company, the subsidiary shall fill in the form "Statement of Loans, Endorsements, Guarantees, Acquisition, Disposal of Assets by Subsidiaries" (T4-MG-081-1) in accordance with regulations "Important Matters and Contact Windows List of the Parent Company and Subsidiaries" (T4-MG-079-1), and present it to the Company for summary. The Company will follow the requirement of announcements and reports on behalf of its subsidiary. (Following contents omitted)</p>	<p>Article 6-4-1 The standards of Announcements and Reports a)~ d) omitted. e) If there is any reporting and announcement required for the Company's subsidiary which is not a Taiwanese public company, the subsidiary shall fill in the form "Statement of Loans, Endorsements, Guarantees, Acquisition, Disposal of Assets by Subsidiaries" (T4-MG-081-1) in accordance with regulations "Important Matters and Contact Windows List" (T4-MG-079-2), and present it to the Company for summary. The Company will follow the requirement of announcements and reports on behalf of its subsidiary. (Following contents omitted)</p>	<p>◎ Amendment to wordings in accordance with name changes of internal sheets of the Company</p>
<p>Article 6-7-3 The supervisory on endorsements / guarantees provided by subsidiaries are executed in accordance with "Subsidiaries Management Regulations" of the Company.</p>	<p>Article 6-7-3 The supervisory on endorsements / guarantees provided by subsidiaries are executed in accordance with "Subsidiaries <u>Supervisory and Management Regulations</u>".</p>	<p>◎ Amendment to wordings in accordance with name changes of internal regulations of the Company.</p>
<p>Article 6-8 If the counter party of an endorsement / guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the Company shall acquire monthly Management reports against <u>(T2-MG-017) 5-5 of "Subsidiaries Management Regulations"</u>, and <u>evaluate and analyses then formulate a review report, and clearly define if the financial condition is getting worse. The Company shall make further evaluation to clear if the Company consequently bear or possibly bear liabilities. The aforementioned calculation, the sum of the share capital add paid-in capital in excess of par shall be substituted.</u></p>	<p>Article 6-8 If the counter party of an endorsement / guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, <u>the Company shall clarify and make consequent control proposals and actions. The Company will exercise in accordance with Subsidiaries Supervisory and Management Regulations</u>".</p>	<p>◎ Simplify the content of the Procedures in accordance with laws and regulations</p>

Attachment 7

Table of Amendment to Regulations Governing the Acquisition and Disposal of Assets

Current Version	Amendment Version	Remark
<p><u>Article 6-5-1</u> f) Any Professional Appraiser and its appraisal personnel, certified public accountants, lawyers, or securities underwriters whom the Company has acquired appraisal reports and opinions from, shall meet the following requirements: 1)~3) The content omitted. (Addition)</p>	<p><u>Article 6-1 The appraisal and opinions reports</u> <u>Article 6-1-1</u> Any Professional Appraiser and its appraisal personnel, certified public accountants, lawyers, or securities underwriters whom the Company has acquired appraisal reports and opinions from, shall meet the following requirements: 1)~3) The content omitted. <u>The personnel mentioned in the preceding paragraph shall, when issuing appraisal or opinion reports, comply with the self-disciplinary regulations of their respective industry associations and handle the following matters:</u> 1. <u>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u> 2. <u>When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u> 3. <u>They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u> 4. <u>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulation.</u></p>	<p>◎ Separate the paragraph “<u>appraisal and opinions reports</u>”. The Article 6-5-1f has be adjusted to Article 6-1-1, and also there is an addition of the standards that the appraisal and opinions reports shall follow as Article 6-5-2 in accordance with the “Regulations governing acquisition and disposal of assets by public companies” (the Regulations governing acquisition and disposal)</p>
<p><u>Article 6-5-3</u> The Company for acquisition or disposal of assets through auction procedures of courts, the appraisal report or certified public accountant's opinion can be replaced by documents issued by the courts.</p>	<p><u>Article 6-1-2</u> The Company for acquisition or disposal of assets through auction procedures of courts, the appraisal report or certified public accountant's opinion can be replaced by documents issued by the courts.</p>	<p>◎ Separate the paragraph “<u>appraisal and opinions reports</u>”. The original article 6-5-3 has be adjusted to Article 6-1-2.</p>
<p><u>Article 6-1 Scope of Investment (assets) and limit amounts:</u> <u>Except acquisitions of assets for operation purpose, the Company may invest in purchasing property and right-of-use assets for non-operation purpose.</u> <u>Article 6-1-1</u> <u>The total amount of all security investments by the Company shall not exceed 20% of the Company's net worth in the most recent financial statements, but not limited to directly or indirectly 100% voting shares owned subsidiaries or foreign subsidiaries.</u> <u>Article 6-1-2</u> <u>The limit amounts of individual acquisitions of subsidiaries' securities by the Company and subsidiaries shall not exceed the net worth of</u></p>	<p><u>Article 6-2 Investment and limit amounts of individual acquisitions of non-subsidiaries' property, right-of-use assets, and securities for non-operation purpose by the Company and its subsidiaries: The limit amounts for above assets are required as follows:</u> <u>Article 6-2-1</u> The total amount of property and right-of-use assets for non-operation purpose shall not exceed 25% of the Company's net worth in the most recent financial statements. <u>Article 6-2-2</u> The total amount of securities for non-operation purpose: Shall not exceed 60% of the Company's net worth in the most recent financial statements; for a single security investment, it shall not exceed 30% of</p>	<p>◎ Amendment in accordance with the Regulations governing acquisition and disposal. Set the limit amounts aside for assets for non-operation purpose, and delete total investment amounts limitation of securities for operation purpose. ◎ Original Article 6-1-3 ~ 6-1-4 are adjusted as Article 6-2-1 ~ 6-2-2. Besides, an amendment is adopted to the limit amount of securities investment for non-operation purpose.</p>

Current Version	Amendment Version	Remark
<p>the Company in the <u>most recent financial statements</u>.</p> <p><u>Article 6-1-3</u> The total amount of <u>purchasing</u> property and right-of-use assets for non-operation purpose shall not exceed <u>20%</u> of the Company's net worth in the most recent financial statements.</p> <p>Article 6-1-4 <u>The Company and its subsidiaries individually purchase</u> property, right-of-use assets, or securities for non-operation purpose, <u>the</u> total amount shall not exceed <u>30%</u> of the Company's net worth in the most recent financial statements. For a single security investment, its amount shall not exceed 20% of the Company's net worth in the most recent financial statements.</p>	<p>the Company's net worth in the most recent financial statements.</p>	
<p><u>Article 6-2 Appraisal and operating procedures</u>: The assets that shall be handled in accordance with <u>Regulations Governing the Acquisition and Disposal of Assets, the evaluation and handling process of acquisitions and disposals</u> are as follows:</p> <p><u>Article 6-2-1</u> The undertaker department shall conduct evaluation process by providing information such as the reason of the acquisition / disposal, the subject matter, the counter party, asset transferring price, payment term and price reference (shall invite experts for their opinions if necessary), etc., then present information for authorized personnel's review and make judgement.</p> <p>Article 6-2-2 <u>All related procedures of acquisitions / disposals shall</u> exercise under the internal control regulations, related management procedures, and regulations of permissions and determinations.</p> <p><u>Article 6-3 Determination procedures of transaction terms</u> Article 6-3-1 Price determination method and reference basis a) For acquisitions / disposals of securities that have be traded in centralized / non-centralized exchange market / exchanges, the undertaker department shall acquire the most recent financial statements of the object company audited or reviewed by certified public accountant for the assessment and reference of transaction amount. If the transaction amount reaches 20% or more of the company's paid-in capital or reach more than NT\$300 million, the acquisition / disposal shall be exercised in accordance with the Article 6-5-2. b) The acquisition / disposal of property or other fixed asset shall submitted by the original user unit or the relevant authority and responsibility unit to explain the reasons, and refer to the present value of the announcement, the assessed value, the actual transaction price of adjacent property, the most recent transaction price of similar assets, etc., and select one of the methods of inquiry, comparison, negotiation or bidding,</p>	<p><u>Property, Equipment, and Right-of-use Assets Article 6-3 Procedures of acquisitions / disposals of property, equipment, and right-of-use assets</u> <u>Article 6-3-1 Evolution and procedures</u>: The undertaker department shall conduct evaluation and procedures by providing information of reasons, objects, counter parties, transferring prices, and price references (invite experts to provide professional opinions if necessary), etc., then present all information for the authorized personnel's review and judgement. All action shall exercise under the internal control regulations, related management procedures, and regulations of permissions and determinations.</p> <p>Article 6-3-2 Determination procedures of transaction terms and <u>authorization amounts</u>: The acquisition / disposal of property, <u>equipment, or right-of-use assets</u> shall submitted by the original user unit or the relevant authority and responsibility unit to explain the reasons, and refer to the present value of the announcement, the assessed value, the actual transaction price of adjacent property, the most recent transaction price of similar assets, etc., and select one of the methods of inquiry, comparison, negotiation or bidding, and the transaction amount reaches 20% or more of the company's paid-in capital or reach more than NT\$300 million, and the acquisition / disposal shall be exercised in accordance with the Article 6-3-3. If the carrying or appraisal amount is NT\$150 million or less , the acquisition / disposal shall be approved by the Chairman. If the carrying amount exceeds NT\$150 million, the acquisition / disposal shall be approved by the Board of Directors.</p>	<p>◎ Separate the paragraph "<u>property, equipment, and right-of-use assets</u>", and amendments to wordings and articles sequences.</p> <p>◎ The original article 6-3-1 a) was rewritten with the original article 6-5-2, and deleted.</p> <p>◎ The original article 6-3-2 a) b) regarding "Procedures of Securities" was adjusted to Article 6-4-2 a) b).</p>

Current Version	Amendment Version	Remark
<p>and the transaction amount reaches 20% or more of the company's paid-in capital or reach more than NT\$300 million, and the acquisition / disposal shall be exercised in accordance with the Article 6-5-1.</p> <p>Article 6-3-2 Authorization Level:</p> <p>a) <u>The acquisition / disposal of assets shall approved by the decision-making unit within the scope of authorization except those in accordance with the Article 185 of the Company Act and shall be decided by the Board of Directors. For acquisitions / disposals of securities that have be traded in centralized exchange market / exchanges, they shall be approved by the Chairman if carrying amounts reach NT\$150 million or less. If carrying amounts exceed NT\$150 million, they shall be approved by the Board of Directors.</u></p> <p>b) <u>For acquisitions / disposals of securities that have be traded in non-centralized exchange market / exchanges, they shall be approved by the Board of Directors then exercise acquisitions / disposals. For the subsidiaries invested in 100% of the company, the Chairman may be authorized to make the decision within the limit of US\$2 million submit it to the Board of Directors for ratification afterwards.</u></p> <p>c) <u>For the acquisitions / disposal of property and other fixed asset, the carrying or appraisal amount reaches NT\$150 million or less, it shall be approved by the Chairman. If the carrying amount exceeds NT\$150 million, it shall be approved by the Board of Directors.</u></p>		
<p><u>Article 6-5 Consult experts to provide opinions:</u> <u>Article 6-5-1</u></p> <p>In acquiring or disposing of property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for operation use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>a) ~ b) The contents omitted.</p> <p>c) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	<p><u>Article 6-3-3 Appraisal reports of property, equipment, and right-of-use assets</u></p> <p>In acquiring or disposing of property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for operation use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>a) ~ b) The contents omitted.</p> <p>c) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1) The difference between the appraisal result and the transaction amount exceeds</p>	<p>◎ In accordance with application termination of the “Main Points of Handling the Acquisition and Disposal of Assets by Public Companies”, the Company deleted the regulation of “the current market value appraisal report”. Also present the amendment to wordings.</p> <p>◎ Amendments to sequences of articles from 6-5-1 a) ~ d) to 6-3-3, and delete wordings “auditors shall follow the Auditing Standards Bulletin” in accordance with Regulations Governing Acquisition and Disposal;</p> <p>◎ Adjustment to article sequence from Article 6-5-1 f) to 6-1 in accordance with the separation of the article “Appraisal reports or opinions”.</p>

Current Version	Amendment Version	Remark
<p>1) The discrepancy between the appraisal result and the transaction amount exceeds 20% of the transaction amount.</p> <p>2) The discrepancy between the appraisal results of two or more professional appraisers exceeds 10% of the transaction amount.</p> <p>d) The content omitted.</p> <p>e) <u>If the appraisal institution issues a current market value appraisal report or an valuation report to replace the appraisal report, its content shall still comply with regulations in preceding paragraph.</u></p> <p>f) The content omitted.</p>	<p>20% of the transaction amount.</p> <p>2) The difference between appraisal reports from two or more professional appraisal institutions exceeds 10% of the transaction amount.</p> <p>e) The content omitted.</p> <p>f) Deleted.</p> <p>g) The content omitted.</p>	
<p><u>Article 6-5-2</u></p> <p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, <u>and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant (CPA) prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</u></p>	<p><u>Securities</u></p> <p><u>Article 6-4 Procedures of acquisitions / disposals of securities</u></p> <p><u>Article 6-4-1 Appraisal and operating procedures:</u></p> <p>a) <u>The appraisal and operating procedures of securities of the Company are in accordance with the internal regulation - Procedures of Investment Cycle.</u></p> <p>b) <u>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price.</u></p> <p><u>Article 6-4-2 Determination procedures of transaction terms and authority amounts</u></p> <p>a) <u>For acquisitions / disposals of securities that have be traded in centralized exchange market / exchanges, they shall be approved by the Chairman if carrying amounts reach NT\$150 million or less. If carrying amounts exceed NT\$150 million, they shall be approved by the Board of Directors.</u></p> <p>b) <u>For acquisitions / disposals of securities that have be traded in non-centralized exchange market / exchanges, they shall be approved by the Board of Directors then exercise acquisitions / disposals. For the subsidiaries invested in 100% of the company, the Chairman may be authorized to make the decision within the limit of US\$2 million submit it to the Board of Directors for ratification afterwards.</u></p> <p><u>Article 6-4-3 Consult experts to provide opinions:</u></p> <p>Where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall consult a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>⊙ Separate the paragraph “<u>securities handling procedures</u>”, and amendment to article sequences and wordings.</p> <p>⊙ The original article 6-5-2 was separated into 6-4-1 b) and 6-4-3 and also deleted wordings “against the Auditing Standards Bulletin No. 20”</p> <p>⊙ The original articles of 6-3-2 a) b) were adjusted to 6-4-2 a) b) and amendment to wordings.</p> <p>⊙ The original article 6-6-5 “Securities” was adjusted to 6-4-1 a) and amendment to wordings.</p>
<p>Article 6-6 Appraisal and operating procedures of acquisitions / disposals of intangible assets or heir right-of-use assets or membership card</p> <p>Article 6-6-1 Price determining method and reference basis to acquire or dispose intangible assets or their right-of-use assets or</p>	<p><u>Intangible assets or their right-of-use assets or membership Card</u></p> <p>Article 6-5 Appraisal and operating procedures of acquisitions / disposals of intangible assets or their right-of-use</p>	<p>⊙ Separate the paragraph “Intangible assets or their right-of-use assets or membership card”, amendment to the article sequences. Addition as Article 6-5-1 Appraisal</p>

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<p>membership card, the Company shall consider the future benefits of the assets and fair market value in the future, and when necessary, refer to the experts' opinions and agree with the relative party of the transaction.</p> <p><u>Article 6-6-2 Consult experts to provide opinions</u></p> <p>a) ~ b) The content omitted.</p> <p>c) The Company acquiring or disposing of intangible assets or their right-of-use assets or membership card, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally consult a certified public accountant (CPA) prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction amount. <u>The CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p><u>Article 6-6-3 Authorization amounts and levels</u></p> <p>a)~b) The content omitted.</p> <p><u>Article 6-6-4 Execution units The execution units for acquisitions / disposals of intangible assets / their right-of-use assets / membership card are the financial department and relevant responsibility units.</u></p> <p><u>Article 6-6-5 Process of transaction The process of the Company acquiring / disposing securities is in accordance with the internal regulation - Procedures of Purchase of Payment Cycle.</u></p>	<p>assets or membership card</p> <p><u>Article 6-5-1 Appraisal and operating procedures:</u> <u>The process of the Company acquiring / disposing securities is under the internal control regulations, related management procedures, and regulations of permissions and determinations.</u></p> <p><u>Article 6-5-2 Determination procedures of transaction terms and authority amounts</u></p> <p>a) To acquire or dispose intangible assets or their right-of-use assets or membership card, the Company shall consider the future benefits of the assets and fair market value in the future, and when necessary, refer to the experts' opinions and agree with the relative party of the transaction.</p> <p>b) Authorization amounts and levels 1)~2) The content omitted.</p> <p>Article 6-5-3 Consult experts to provide opinions</p> <p>a) ~b) <u>The content omitted.</u></p> <p>c) The Company acquiring or disposing of intangible assets or their right-of-use assets or membership card, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally consult a certified public accountant (CPA) prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction amount.</p>	<p>and operating procedures.</p> <p>⊙ Addition as Article 6-5-2 that combines determination procedures of transaction terms and authorization amounts, and the original Article 6-6-3 was adjusted to 6-5-2 b).</p> <p>⊙ The original Article 6-6-2 was adjusted to 6-5-3 in accordance with the deletion of the Regulations governing acquisition and disposal and deleted wordings "The CPA shall do so in accordance with the provisions of Statement of Auditing Standards."</p> <p>⊙ Deleted the original Article 6-6-4 "execution units" that was rewritten with 6-5.</p> <p>⊙ The original article 6-6-5 was adjusted to 6-1-1 a), and amendment to wordings in accordance with "Securities."</p>
<p>The calculation of the transaction amounts referred to in Articles <u>6-8, 6-5-1, 6-5-2, and 6-6</u> shall be done in accordance with Article <u>6-4-1.h</u>, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>The calculation of the transaction amounts referred to in Articles 6-6, and 6-3 ~ 6-5 shall be done in accordance with Article <u>10-2</u>, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>⊙ Amendment to article sequences.</p>
<p>Article 6-7 Appraisal and operating procedures of acquisitions / disposals of claims of financial institutions (The content omitted)</p>	<p><u>Claims of financial institutions</u></p> <p>Article 6-7 Appraisal and operating procedures of acquisitions / disposals of claims of financial institutions (The content omitted)</p>	<p>⊙ Separate the paragraph "Claims of financial institutions". The content remained same.</p>
<p>Article 7 Operating procedures of related party transaction are as follows: Article 7-1 The Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding paragraph and this paragraph. The calculation of the transaction amount referred to in <u>the preceding paragraph</u> shall be made in accordance with Article</p>	<p><u>Related party transactions</u></p> <p>Article 7 Operating procedures of related party transaction are as follows: Article 7-1 The Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised under Article 6-3 ~ 6-5 and 7, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with Articles 6-3 ~ 6-5. The calculation of the transaction amount referred to in <u>the preceding paragraph</u> shall be made in</p>	<p>⊙ Separate the paragraph "Related party transactions", and amendment to wordings.</p>

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6-4-1.h herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.	accordance with Article <u>10-2</u> herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.	
<p>Article 7-2-2</p> <p><u>The amount of related party transactions shall be calculated in accordance with the regulation that calculate the cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the receding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u> With respect to</p> <p>the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the board chairman to decide such matters when the transaction amount is within US\$2 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>a) Acquisition / disposal of equipment or right-of-use assets thereof held for operation use.</p> <p>b) Acquisition / disposal of property or its right-of-use assets held for operation use.</p>	<p>Article 7-2-2</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the board chairman to decide such matters when the transaction amount is within US\$2 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>c) Acquisition / disposal of equipment or right-of-use assets thereof held for operation use.</p> <p>d) Acquisition / disposal of property or its right-of-use assets held for operation use.</p>	<p>◎ The anterior paragraph of Item 1 of the original Article 7-2-2 was moved to Item 2 of 7-2-4, and the amendment to "transaction amount calculations shall be submitted to ratified by the Shareholders Meeting" in accordance with the addition of Item 1 of Article 7-2-4.</p>
<p>Article 7-2-3</p> <p>When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the Article 7-2-1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p>	<p>Article 7-2-3</p> <p>When the procedures for the acquisition and disposal of assets are submitted for discussion by the Board of Directors pursuant to the Article 7-2-1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. According to Article 7-2-1, when the procedures for the acquisition / disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution. Item 2 of Article 14-2 and 14-3 shall be adopted.</p>	<p>◎ Amendment in accordance with the Regulations governing acquisition and disposal.</p>
(Addition)	<p><u>Article 7-2-4</u></p> <p><u>A transaction under Article 7-2-1 of Acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan, if the transaction amount reaches 10% or more of total assets of the Company, the Company shall provide information and material that required in Article 7-2-1 for ratification of the shareholders meeting, then sign the transaction contract and effect payment. It is not limited to transactions between the Company and its parent company, or its subsidiaries, or subsidiaries with each other. Transaction amounts calculation of the Article 7-2-1 and the preceding paragraph shall be</u></p>	<p>◎ Addition as Item 1 of the Article 7-2-4 in accordance with the Regulations governing acquisition and disposal, the Company shall exercise a transaction with significant related party after it provides information and material for the ratification of the shareholders meeting</p> <p>◎ The anterior paragraph of Item 1 of the original Article 7-2-2 was moved to Item 2 of the Article 7-2-4, amendment to "transaction amount calculations shall be</p>

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	<p><u>handled in accordance with Article 10-2. "Within the preceding year" as used refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u></p>	<p>submitted to ratify by the Shareholders Meeting" in accordance with the addition of Item 1 of Article 7-2-4.</p>
<p>Article 7-3-3 The company that acquires property or its right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs in accordance with <u>Item 1 and 2 of the Article 7-3</u>, and shall consult the CPA to review and advise comments.</p>	<p>Article 7-3-3 The company that acquires property or its right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs in accordance with <u>Article 7-3-1 and 7-3-2</u>, and shall consult the CPA to review and advise comments.</p>	<p>⊙ Amendment to wordings.</p>
<p><u>Article 7-3-6</u> Where the Company acquires property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <u>Item 1 and 2</u> of this article, and the <u>Item 3-1 ~ 3-3 of Article 7-3-6</u> do not apply: (The content omitted)</p>	<p><u>Article 7-3-4</u> Where the Company acquires property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Article 7-2-1 ~ 7-2-4, and the <u>Article 7-3-1 ~ 7-3-3</u> do not apply: (The content omitted)</p>	<p>⊙ Amendment to article sequences in accordance with the Regulations governing acquisition and disposal, and also amendment to wordings.</p>
<p><u>Article 7-3-4</u> When the results of the Company's appraisal of the related party conducted in accordance with Paragraph 1 and Paragraph 2 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 5 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional property appraiser and a CPA have been obtained, this restriction shall not apply: (The content omitted)</p>	<p>Article 7-3-5 When the results of the Company's appraisal conducted in accordance with the Article 7-3-1 and 7-3-2 are uniformly lower than the transaction price, the matter shall be handled in compliance with the Article 7-3-6. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional property appraiser and a CPA have been obtained, this restriction shall not apply:(The content omitted)</p>	<p>⊙ Amendment to article sequences in accordance with the Regulations governing acquisition and disposal, and also amendment to wordings.</p>
<p>Article 7-3-5 When the results of the Company's appraisal of property or its right-of-use assets from the related party conducted in accordance with <u>Paragraph 1 and Paragraph 2 of this Article</u> are uniformly lower than the transaction price, the matter shall be handled with following actions. <u>Besides</u>, the Company and <u>a public company that invest the Company under equity method</u> that have set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission (FSC) has given its consent. a) b) The content omitted. c) Actions taken pursuant to the <u>paragraph 1 and 2 of Item 3-5 of this article</u> shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. Article <u>7-3-7</u></p>	<p>Article 7-3-6 When the results of the Company's appraisal of property or its right-of-use assets from the related party conducted in accordance with Article 7-3-1 ~ 7-3-5 are uniformly lower than the transaction price, the matter shall be handled with following actions. a) b) The content omitted. c) Actions taken pursuant to the <u>7-3-6 a)~ 7-3-6 b)</u> shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. The Company that has set aside a special reserve under preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission (FSC) has given its consent. When the Company obtains property or its right-of-use assets thereof from a related party, it shall also comply with the preceding 2 paragraphs article if there is other evidence indicating that the acquisition was not an arms</p>	<p>⊙ Amendment to article sequences in accordance with the Regulations governing acquisition and disposal, combine the original Article 7-3-5 and 7-3-7, and also amendment to wordings. ⊙ The posterior paragraph of Item 1 of the original Article 7-3-5 was adjusted to Item 2 of the Article 7-3-6. ⊙ The original Article 7-3-7 was adjusted to Item 3 of the Article 7-3-6.</p>

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When the Company obtains property or its right-of-use assets thereof from a related party, it shall also comply with <u>Item 3-5 of this article</u> if there is other evidence indicating that the acquisition was not an arms length transaction.	length transaction.	
Article 8 Procedures of acquisitions or disposals of derivatives	<u>Derivatives</u> Article 8 Procedures of acquisitions or disposals of derivatives <u>The Company engaged in derivative trading, and defines relevant trading principles and guidelines, risk management measures, internal audit system, regular evaluation methods and handling of abnormal situations.</u>	⊙ Separate the articles and paragraphs of derivatives, and implement wordings of the procedures.
Article 8-2 Risk management Measures (The content omitted)	Article 8-2 Risk management Measures: Scope of risk management shall include address credit, market, liquidity, cash flow, operational, and legal risks. (The content omitted)	⊙ Supplement description
Article 8-4 Regular assessment method (The content omitted)	8-4 Regular assessment method and handle <u>abnormal situation</u> (The content omitted)	⊙ Amendment to wordings.
Article 8-5 Supervision and Management Principles of the Board of Directors <u>Article 8-5-1</u> Where the Company engaging in derivatives trading, <u>its Board of Directors shall assign senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk in accordance with the following principles:</u> a) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these regulations and the procedures for engaging in derivatives trading formulated by the company. b) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors, and an independent director shall be present at the meeting and express an opinion. <u>Article 8-5-2</u> Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.	Article 8-5 Supervision and Management Principles of the Board of Directors <u>Article 8-5-1</u> <u>The Board of Directors shall monitor and control derivatives trading risk in accordance with the following principles:</u> a) Assign senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk. b) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance. <u>Article 8-5-2</u> <u>The Board of Directors shall assign senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk in accordance with the following principles:</u> a) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these regulations and the procedures for engaging in derivatives trading formulated by the Company. b) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors, and an independent director shall be present at the meeting and express an opinion.	⊙ Separate the Article "Supervision and Management Principles of the Board of Directors" and the principles of assigning senior management personnel to monitor and control derivatives trading risk. ⊙ The original Article 8-5-1 was adjusted to 8-5-1a, and amendment to wordings ⊙ The original Article 8-5-1 a) b) were adjusted to 8-5-2 a) b), and amendment to wordings. ⊙ The original Article 8-5-2 was adjusted to 8-5-1b.
Article 8-5-4 The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, the Board of Directors approval dates, and the matters required to be carefully evaluated under <u>Item 4-2 and Item 5-1 ~ 5-2 of this Article</u> shall be recorded in detail in the log book.	Article 8-5-4 The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, the Board of Directors approval dates, and the matters required to be carefully evaluated under the Article 8-4-2, 8-5-1 b) and 8-5-2 a) shall be recorded in detail in the log book.	⊙ Amendment to wordings.
Article 9 Handling Procedures of Merger, Demerger, Acquisition, or Transfer of Shares	<u>Enterprise merge, Demerger, Acquisition, and Transfer of</u>	⊙ Separate paragraphs of the Article "Enterprise merge,

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(The content omitted)	<u>Shares</u> Article 9 Handling Procedures of Merger, Demerger, Acquisition, or Transfer of Shares (The content omitted)	<u>Demerger, Acquisition, and Transfer of Shares</u> ³⁷
<p>Article 9-1-2 The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in Item 1-1 of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	<p>Article 9-1-2 The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in Article 9-1-1 when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	<p>⊙ Amendment to wordings.</p>
<p>Article 9-2-1 <u>The Day (Date) of a Board of Directors Meeting</u> The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the <u>FSC</u> is notified in advance of extraordinary circumstances and grants consent. The Company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p>	<p>Article 9-2-1 <u>The written records and filings of Boards of Directors and Shareholders Meetings</u> The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the <u>FSC</u> is notified in advance of extraordinary circumstances and grants consent. The Company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the <u>FSC</u> is notified in advance of extraordinary circumstances and grants consent. When participating in a <u>merger, demerger, acquisition, or transfer of another company's shares</u>, the Company that is listed <u>on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</u> a) ~ c) The content omitted. <u>When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in the preceding paragraph a) and b) to the FSC for recordation. Where the Company participating</u></p>	<p>⊙ Amendment to wordings and article sequences. The original Article 9-2-7 was adjusted to Item 3 of 9-2-1, and an addition as Item 4 and 5 of 9-2-1 in accordance with the Regulations governing acquisition and Disposal.</p>

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	<u>in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.</u>	
<p>Article 9-2-3 The principle of setting and changing the share exchange ratio or purchase price The Company that conducts a merger, demerger, acquisition, or transfer of shares, <u>prior to convening the Board of Directors by both counter parties to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Shareholders Meeting for deliberation and passage.</u> In principle, the share exchange ratio or the acquisition price shall not be arbitrarily changed, <u>unless the contract stipulates may be changed and that have been publicly disclosed. The exchange ratio or acquisition price may be changed in accordance with following circumstances:</u> (The content omitted)</p>	<p>Article 9-2-3 The principle of setting and changing the share exchange ratio or purchase price The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price <u>unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:</u> (The content omitted)</p>	<p>⊙ Amendment in accordance with the Regulations governing acquisition and disposal. The repetitive paragraph Item 1 of the original Article 9-2-3 has been written in 9-1, so deleted and an amendment to wordings.</p>
<p>Article 9-2-4 The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the Company participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:(The content omitted)</p>	<p>Article 9-2-4 The contract for participation by the Company <u>in a merger, demerger, acquisition, or of shares</u> shall record: the rights and obligations of the Company participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following: (The content omitted)</p>	<p>⊙ Amendment to wordings.</p>
<p>Article 9-2-6 Where any of the Company participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by <u>Item 2-1 this Article to schedule date for convening the legally mandated the Board of Directors meeting. Item 2 to make a confidentiality commitment in advance, and Item 5</u> <u>an increase or decrease in the number of entities or the Company participating in the merger, demerger, acquisition, or transfer of shares</u> under regulations.</p>	<p>Article 9-2-6 Where any of the Company participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company under regulations of Article 9-2-1, 9-2-2, and 9-2-5.</p>	<p>⊙ Amendment to wordings.</p>
<p><u>Article 9-2-7</u> <u>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</u> (The content omitted)</p>	<p>(Deleted)</p>	<p>⊙ This article was deleted. The original Article 9-2-7 was adjusted to Item 3 of 9-2-1.</p>
<p><u>Article 6-4</u> Procedures of Public Announcement and Report Article 6-4-1 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as</p>	<p><u>Information disclosure</u> <u>Article 10</u> Procedures of Public Announcement and Report <u>Article 10-1</u> Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated</p>	<p>⊙ Separate the paragraph of the Article “Information Disclosure”, and adjusted article sequences in accordance with the Regulations governing acquisition and disposal. ⊙ The original Article 6-4 was</p>

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<p>prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>a) Acquisition or disposal of property or its right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>b) Merger, demerger, acquisition, or transfer of shares.</p> <p>c) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. Where equipment or right-of-use assets thereof for operation use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>d) Acquisition or disposal by the Company in the construction operation of property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>e) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>f) Where an asset transaction other than any of those referred to in the preceding <u>six subparagraphs</u>, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or</p>	<p>website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p><u>Article 10-1-1</u> Acquisition or disposal of property or its right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Article 10-1-2 Merger, demerger, acquisition, or transfer of shares.</p> <p>Article 10-1-3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>Article 10-1-4 Where equipment or right-of-use assets thereof for operation use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>a) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>b) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p><u>Article 10-1-5</u> Acquisition or disposal by the Company in the construction operation of property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p><u>Article 10-1-6</u> Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches</p>	<p>moved to Article 10, and amended article sequences in order. Also relaxed the information disclosure of some kinds transaction, and amendment to wordings.</p>

Current Version	Amendment Version	Remark
<p>more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1) Trading of domestic government bonds. 2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. <p>h) The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1) The amount of any individual transaction. 2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of property or right-of-use assets thereof within the same development project within the preceding year. 4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. <p>Article 6-4-2 The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p><u>Article 6-4-3</u> <u>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days</u></p>	<p>NT\$500 million.</p> <p><u>Article 10-1-7</u> Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> a) Trading of domestic government bonds and also foreign ones that their credit ratings are not lower than Taiwan's sovereign rating. b) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds</u>, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or resale of index investment securities</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. c) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. <p><u>Article 10-2</u> The amount of transactions listed in <u>Article 10-1</u> shall be calculated as follows:</p> <p><u>Article 10-2-1</u> The amount of any individual transaction.</p> <p><u>Article 10-2-2</u> The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p><u>Article 10-2-3</u> The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of property or right-of-use assets thereof within the same development project within the preceding year.</p> <p><u>Article 10-2-4</u> The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>Article 10-3 “Within the preceding year” as used in Article 10-2 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the</p>	

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<p><u>counting inclusively from the date of knowing of such error or omission.</u></p> <p><u>Article 6-4-4</u> <u>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</u></p> <p><u>Article 6-4-5</u> Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>a) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>b) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>c) Change to the originally publicly announced and reported information.</p> <p><u>Article 6-4-6</u> Information required to be publicly announced and reported in accordance with the provisions of the Chapter on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets.</p> <p><u>Article 6-4-7</u> For the calculation of 10% of total assets under these Regulations, the total assets stated in the most recent parent company only financial statements or individual financial reports prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20% of paid-in capital under these Regulations, 10% of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</p>	<p>Regulations need not be counted toward the transaction amount.</p> <p><u>Article 10-4</u> The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p><u>Article 10-5</u> When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p><u>Article 10-6</u> The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p><u>Article 10-7</u> Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p><u>Article 10-7-1</u> Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p><u>Article 10-7-2</u> The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p><u>Article 10-7-3</u> Change to the originally publicly announced and reported information.</p> <p><u>Article 10-8</u> Information required to be publicly announced and reported in accordance with the provisions of the Chapter on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to Article 10-1 in determining whether, relative to paid-in capital or total assets.</p> <p><u>Article 10-9</u> For the calculation of 10% of total assets under these Regulations, the total assets stated</p>	

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	<p>in the most recent parent company only financial statements or individual financial reports prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20% of paid-in capital under these Regulations, 10% of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</p>	
<p><u>Article 10</u> The Company’s subsidiaries shall adopt and implement the regulations as follows: <u>Article 10-1</u> Control procedures for the acquisition and disposal of assets by subsidiaries: <u>Article 10-1-1</u> The Company shall see to it that its subsidiaries to establish the acquisition or disposal of assets, and have the establishment for the Board of Directors’ resolution, then adopt and implement for the acquisition or disposal of assets in compliance with these Regulations. If any amendment is available, the preceding procedures are adopted. <u>Article 10-1-2</u> The supervisions of the acquisitions / disposals of assets of subsidiaries shall be subject to <u>the Subsidiary Management Regulations</u> of the Company. <u>Article 10-2</u> The subsidiary shall adopt and implement for acquisition or disposal of assets in compliance with the Company’s regulations. Where done as professional investors, <u>Article 6-1</u> are not limited to scope and limit amounts. <u>Article 10-3</u> If there is any reporting and announcement required for the Company's subsidiary which is not a Taiwanese public company, the subsidiary shall fill in the form “Statement of Loans, Endorsements, Guarantees, Acquisition, Disposal of Assets by Subsidiaries” (T4-MG-081-1) in accordance with regulations “Important Matters and Contact Windows List of <u>the Parent Company and Subsidiaries</u>” (T4-MG-079-1), and present it to the Company for summary. The Company will follow the requirement of announcements and reports on behalf of its subsidiary. <u>Article 10-4</u> <u>The paid-in capital of the Company shall be the standard applicable to a subsidiary referred to in determining whether, relative to paid-in capital.</u></p>	<p><u>Subsidiaries</u> <u>Article 11</u> The Company’s subsidiaries shall adopt and implement the regulations as follows: <u>Article 11-1</u> Control procedures for the acquisition and disposal of assets by subsidiaries: <u>Article 11-1-1</u> The Company shall see to it that its subsidiaries to establish the acquisition or disposal of assets, and have the establishment for the Board of Directors’ resolution, then adopt and implement for the acquisition or disposal of assets in compliance with these Regulations. If any amendment is available, the preceding procedures are adopted. <u>Article 11-1-2</u> The subsidiary shall adopt and implement for acquisition or disposal of assets in compliance with <u>the Subsidiary Management Regulations</u> of the Company. <u>Article 11-2</u> The subsidiary shall adopt and implement for acquisition or disposal of assets in compliance with the Company’s regulations. Where done as professional investors, <u>Article 6-2</u> are not limited to scope and limit amounts. <u>Article 11-3</u> If there is any reporting and announcement required for the Company's subsidiary which is not a Taiwanese public company, the subsidiary shall fill in the form “Statement of Loans, Endorsements, Guarantees, Acquisition, Disposal of Assets by Subsidiaries” (T4-MG-081) in accordance with regulations “Important Matters and Contact Windows List of <u>the Parent Company and Subsidiaries</u>” (T4-MG-079-2), and present it to the Company for summary. The Company will follow the requirement of announcements and reports on behalf of its subsidiary.</p>	<p>⊙ Separate the paragraph of the Article “Subsidiaries”, and adjusted article sequences in accordance with the Regulations governing acquisition and disposal.</p> <p>⊙ The original Article 10 was moved to Article 11, and amendment to article sequences and wordings.</p> <p>⊙ The original article 10-4 has been stipulated in Article 10-8, so deleted the repetitive article.</p>
<p><u>11</u> The acquisition or disposal of assets of the Company shall be in accordance regulations of permissions and determinations.</p>	<p><u>Additional Provisions</u> <u>12</u> The acquisition or disposal of assets of the Company shall be in accordance regulations of permissions and determinations.</p>	<p>⊙ Separate the article “<u>Additional Provisions</u>”</p> <p>⊙ The original Article 11 ~ 12 were moved to 12-13, and amendment to wordings.</p>

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<p><u>12</u> The personnel of the Company who undertakes the execution of the acquisition or disposal of assets is in violation of the Endorsement and Guarantees Procedures shall be reported periodically according to the Regulations of Personnel Management and the Employee Manual of the Company, and considered with penalties against the seriousness of the violation fact.</p> <p><u>13</u> <u>After establishing the Audit Committee, any acquisition / disposal involving major assets under the Management and Procedures of Endorsement and Guarantees or other laws or regulations shall be approved by one-half or more of all the Audit Committee members, and submit to the Board of Directors for a resolution. The Endorsement and Guarantees Management and Procedures may approved by one-half or more of all the Audit Committee members and submitted to the board of directors for a resolution, then submit to the Shareholders Meeting for approval before implementation. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee and propose for discussion in the Shareholders' Meeting. The preceding process shall be adopted if there is any amendment available. If the preceding acquisition / disposal has not been approved by one-half or more of all Audit Committee members, it may be approved by two-thirds of the all directors, and shall record the resolution of the Audit Committee in the Board of Directors' meeting minutes.</u> The terms "all Audit Committee members" and "all directors" <u>in preceding paragraph</u> shall be counted as the actual number of persons currently holding those positions. When “ the Management and Procedures of Endorsement and Guarantees ” are discussed in the Board of Directors meetings, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director <u>accepts</u> or objects any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p>	<p><u>13 Penalties:</u> The personnel of the Company who undertakes the execution of the acquisition or disposal of assets is in violation of <u>the Management and Procedures of Endorsement and Guarantees</u> shall be reported periodically according to the Regulations of Personnel Management and the Employee Manual of the Company, and considered with penalties against the seriousness of the violation fact.</p> <p><u>14 Execution and amendment</u> <u>14-1</u> Any acquisition / disposal involving major assets <u>under the Management and Procedures of Endorsement and Guarantees</u> or other laws or regulations shall be approved by one-half or more of all the Audit Committee members, and submit to the Board of Directors for a resolution. <u>If the preceding acquisition / disposal has not been approved by one-half or more of all Audit Committee members, it may be approved by two-thirds of the all directors, and shall record the resolution of the Audit Committee in the Board of Directors' meeting minutes.</u> <u>14-2</u> The <u>Management and Procedures of Endorsement and Guarantees</u> may approved by one-half or more of all the Audit Committee members and submitted to the Board of Directors for a resolution, then submit to the Shareholders Meeting for approval before implementation. <u>The preceding process shall be adopted if there is any amendment available.</u> If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee. If the preceding acquisition / disposal has not been approved by one-half or more of all Audit Committee members, it may be approved by two-thirds of the all directors, and shall record the resolution of the Audit Committee in the Board of Directors' meeting minutes. If an independent director <u>objects to</u> or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p><u>14-3</u> The terms "all Audit Committee members" and "all directors" <u>in the “ Endorsement and Guarantees Procedures”</u> shall be counted as the actual number of persons currently holding those positions.</p>	<p>© The original Article 13-1 was moved to 14-1; the original 13-2 was moved to 14-2-1; the original 13-3 was moved to 14-2-2; the original 13-4 was moved to 14-3; the original 13-5 was moved to 14-2-3, and amendment to wordings.</p>

Appendix 1

Rules of Procedure for Shareholders Meetings

1. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.
2. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, add the number of shares whose voting rights are exercised by correspondence or electronically. Attendance at shareholders meetings shall be calculated based on numbers of shares.
3. If there is an election or voting during the registration time, the registration shall be suspended from the beginning of the voting to the end, and the registration shall continue.
4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
5. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors. If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the Chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the Chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
6. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The Company shall retain the uninterrupted audio and video recording materials of the a shareholders meeting for at least one year.
8. At the appointed meeting time, the attending shareholders represent a majority of the total number of issued shares, the chair shall call the meeting to order. when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
9. If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions). If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The shareholders shall not elect another chair and resume the meeting at original or another venue after adjournment.
10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders

speaking will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
12. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. The Company shall disclose the number of voting rights won by each candidate in the event of an election of directors.
16. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. A resolution may be adopted at a shareholders meeting to resume the meeting within five days without notice and publicly announcement.
17. Except as otherwise provided in the Company Act and in the Articles of Incorporation of the Company, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote is followed by a poll of the shareholders.
A shareholder shall be entitled to one vote for each share held. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. If a shareholder is unable to attend the shareholders meeting, he / she may assign a proxy to attend the shareholder meeting by presenting the proxy form printed by the Company in accordance with the Company Act and the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies publicly announced by the competent securities authority. With the exception of a trust enterprise or an agent of stock affairs approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. One proxy form shall be delivered to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
19. The chair may direct the proctors (or security) personnel to help maintain order at the meeting place. When proctors (or security) personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
20. The matters not specified in the document shall be governed in accordance with the Company Act and the Articles of Incorporation of the Company.
21. The document (Rules) shall be implemented after approved by the shareholders' meeting. If there is an amendment, it shall be implemented as same approval process.
22. The document (Rules) was established on June 24, 2002.
1st amendment was made on May 25, 2012.
2nd amendment was made on May 30, 2013.
3rd amendment was made on August 22, 2014.
4th amendment was made on May 27, 2016.
5th amendment was made on June 18, 2020.

Appendix 2

Articles of Incorporation

Chapter I General

Article 1: The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be “台灣良得電子股份有限公司” in Chinese and “Taiwan Line Tek Electronic Co., Ltd.” in English.

Article 2: The business items of the Company are listed below:

1. CC01080 Electronics Components Manufacturing
2. CC01020 Electric Wires and Cables Manufacturing
3. CC01060 Wired Communication Equipment and Apparatus Manufacturing
4. CC01070 Telecommunication Equipment and Apparatus Manufacturing
5. F119010 Wholesale of Electronic Materials
6. F219010 Retail Sale of Electronic Materials
7. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3: The Company may, when necessary in business, make guarantees for other companies.

Article 4: If the Company is a limited liability shareholder of other companies, the total amount of all its investments is not under Article 13 of the Company Act, which does not exceed 40% of the paid-in capital stock.

Article 5: The Company has its head office in New Taipei City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Article 6: Public announcements of the Company shall be made according to Article 28 of the Company Act.

Chapter II Capital Stock

Article 7: The total capital stock of the Company shall be in the amount of one billion and eight hundred million New Taiwan Dollars from the preceding capital to issue stock at ten New Taiwan Dollars each in separate installments. The Company retained ten million shares from the preceding capital and authorized the Board of Directors to issue employee stock options in separate installments.

Article 7-1: The Company may issue employee stock options at a price lower than the closing price of the common shares on subscription day, provided that a shareholders' meeting representing more than half of the total number of shares issued shall be held, and such stock options may not be issued until more than two-thirds of the voting rights of the shareholders present agreement. The transfer of the Company to employees at a price lower than the average price of shares actually repurchased shall be approved by more than two-thirds of the voting rights of the shareholders present at the most recent shareholders' meeting before the transfer, with the presence of a majority of the shareholders representing a majority of the total number of issued shares.

Article 8: The share certificates of the Company shall be in registered form, and before they are issued, shall be signed by or affixed with the seals by the directors on behalf the Company, and issued after awarding a bank visa to act as a stock issuer in accordance with the law. After offering public shares, the Company may be exempted from stock printing, but shall do registration of book entry thru centralized securities depository enterprises.

Article 9: Changes or amendments of the register of shareholders shall be stopped before 60 days before the date of a regular shareholders meeting or before 30 days before the date of a special shareholders meeting or before 5 days before the reference date that the Company's resolution on distribution of dividends, bonus or other benefits.

Chapter III Shareholders Meetings

- Article 10: Shareholders meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.
- Article 11: A shareholder may assign a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the company with a shareholder's signature or seal, and stating therein the scope of power authorized to the proxy. The rules of attendances are in accordance with Article 177 of the Company Act and the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies publicly announced by the competent securities authority.
- Article 12: A shareholder shall be entitled to one vote for each share held.
- Article 13: Regarding resolutions adopted at shareholders' meetings, unless otherwise provided for by law, they shall be by majorities of the shareholders or their proxies present who represent half or more of the total number of their outstanding shares. However, resolutions adopted for following acts shall be by majorities of the shareholders or their proxies present who represent two-thirds or more of the total number of their outstanding shares:
1. Purchase or merge other domestic or foreign enterprises.
 2. Dissolvement, liquidation, or split-up of the Company.
- Article 14: The Company's shareholders meetings shall be convened by the Board of Directors. If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the Chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the Chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed under publicly announcements.

Chapter IV The Board of Director and the Audit Committee

- Article 16: The Board of Directors Meeting shall be convened quarterly and shall notify the directors seven days in advance, but shall be convened at any time if there is an emergency. The call notice can be faxed, email (E-mail), etc.
- Article 17: The Company shall have 5 to 10 Directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years, and shall be eligible for re-election through the system of nomination of candidates.
- The preceding directors shall include not less than 3 independent directors and the ratio to all directors shall be higher than one fifths. The matters to be followed by independent directors shall be handled in accordance with the relevant regulations of the competent securities authority.
- According to Article 14-4 of the Securities Exchange Law, the Company sets up the Audit Committee with all independent directors. The Audit Committee is responsible for executions of the Securities and Exchange Law, the Company Act, and other functions under other laws and regulations.
- The total number of registered shares held by all the directors shall be handled in accordance with the Rules and Audit Procedures for Directors and supervisors Share Ownership Ratios at Public Companies.
- The Company may authorize the Board of Directors to handle purchases of liability insurance within the scope of his / her duties for the Company.
- Article 17-1: Remuneration of Directors of the Company may be paid at such level as generally adopted by the Company of the same domestic or foreign industries.
- Article 18: If the vacancy of directors reaches one-thirds, the Board of Directors shall convene an special meeting of shareholders to elect the directors within 60 days. His / her term of office shall be limited to the full term of the original term.
- Article 18-1: When the office term of a director expires and there is no time for re-election, his / her executive duties shall be extended until the re-elected director takes over office. However, the competent authority

may order the Company to re-elect a director within the period. If the Company still fail to do so, he / she shall be dismissed ex officio upon the expiration of the time limit.

Article 19: The directors shall organize the Board, which is attended by more than two-thirds of the directors, and with the consent of more than half of the directors present, to select one person as the chairman and represent the Company externally. In case the Chairman of the Board is on leave or absent or can not exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act. A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the authorization, and act voting rights on his/her behalf. The proxy may be the appointed proxy of only one person.

Article 20: The resolutions of the Board of Directors shall be recorded in meeting minutes and shall bear the signature or seal by the Chairman of the Board. The attendance book constitutes part of the minutes and proxy forms shall be retained in the Company.

Article 21: Travel expenses of all directors shall be resolved by the Board of Directors.

Chapter V Managerial Officials

Article 22: The Company may have one or more managerial officers. Appointment, discharge and the remuneration of the managerial officers shall be in compliance with Article 29 of the Company Act.

Chapter IV Accounting

Article 23: After the close of each fiscal year, the Board of Directors shall prepare following reports / statements and submit for the Audit Committee's review before 30 days of the regular Shareholders Meeting, and to the regular meeting of shareholders for acceptance:

1. The Business Report
2. Financial Statements
3. Proposal on Earnings distribution or loss offset

Article 24: If the Company earns profit in the fiscal year, it shall allocate no less than 2% for the remuneration of employees and no more than 5% for the remuneration of the Board and supervisors. However, if the company still has accumulated losses, it should reserve the compensation amount in advance.

After closing of accounts, if there is earnings, the Company shall first pay the tax, make up the losses for the preceding years and then set aside a legal reserve of 10% of the net profit. It is not applicable if the amount of a legal reserve is up to total amount of the paid-in capital of the Company.

According to relevant regulations, after the appropriation or reversal of special capital reserves, the Board of Directors will formulate a earnings distribution plan based on accumulated unappropriated earnings and submit it to the shareholders' meeting for resolution.

If the preceding distribution will be provided by cash, the Board of Directors is authorized to handle by the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present and report to the shareholders 'meeting. It is not applicable under the shareholders meeting's resolution.

Article 24-1: The preceding the remunerations of employees and directors shall be adopted resolutions by majorities of two-thirds or more of the total number of present directors, and report the resolution to the shareholders' meeting. Employees' remunerations may be paid by stocks or cash, and employees shall be ones of holding companies or subsidiaries. If the Employees' remunerations are paid by stock, the Board of Directors shall adopt resolution on numbers of distribution shares and their total amount. Besides, remunerations of directors are restrict to be paid by cash.

Article 24-2: The dividends policies of the Company adopted are steady and balanced. Considering profit status, financial structure, and development in the future, the Company will allocate no less than 10% cash dividends from current fiscal year distributions shares.

Chapter VII Supplement Provision

Article 25: Matters not covered in the Articles of Incorporation of the Company shall be handled in accordance with the Company Act.

Article 26: The Articles of Incorporation were agreed to and signed on July 25, 1978.

- 1st amendment was made on October 15, 1979.
- 2nd amendment was made on October 01, 1980.
- 3rd amendment was made on October 21, 1985.
- 4th amendment was made on October 11, 1987.
- 5th amendment was made on November 12, 1987
- 6th amendment was made on July 15, 1989.
- 7th amendment was made on February 01, 1990.
- 8th amendment was made on March 05, 1990.
- 9th amendment was made on May 16, 1992

10th amendment was made on June 08, 1994.
11th amendment was made on May 15, 1995.
12th amendment was made on June 25, 1996.
13th amendment was made on June 16, 1997.
14th amendment was made on June 16, 1998.
15th amendment was made on June 08, 1999.
16th amendment was made on June 19, 2000.
17th amendment was made on May 16, 2001.
18th amendment was made on August 14, 2001.
19th amendment was made on June 24, 2002.
20th amendment was made on February 27, 2003.
21st amendment was made on June 29, 2004.
22nd amendment was made on June 24, 2005.
23rd amendment was made on June 21, 2007.
24th amendment was made on June 16, 2009.
25th amendment was made on June 23, 2010.
26th amendment was made on May 25, 2012.
27th amendment was made on August 22, 2014.
28th amendment was made on May 27, 2016.
29th amendment was made on June 21, 2019.
30th amendment was made on June 18, 2020.
31st amendment was made on June 17, 2022.

Taiwan Line Tek Electronic Co., Ltd.
Chairman : CHEN, LONG-SHCEI

Procedures for Election of Directors

- Article 1: Except as otherwise provided by law and regulation or by the Articles of Incorporation of the Company, elections of directors (including independent directors) shall be conducted in accordance with these Procedures.
- Article 2: The election of directors at the Company is held under the cumulative voting method in shareholders meeting. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 3: Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Besides, the number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 3-1: The qualifications and elections of independent directors shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- Article 4: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.
- Article 5: When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- Article 6: A ballot is invalid under any of the following circumstances
1. The ballot was not put in the ballot box.
 2. The ballot was not prepared by a person with the right to convene.
 3. A blank ballot is placed in the ballot box.
 4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
 5. Other words or marks are entered in addition to the number of voting rights allotted.
 6. The writing is unclear and indecipherable or has been altered.
- Article 7: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 8: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 9: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
- Article 10: The Board of Directors of the Company shall issue notifications to the persons elected as directors.
- Article 11: Matters not covered in the Procedures for Election of Directors of the Company shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article 12: The Procedures shall be implemented after the adoption of the resolution of the Shareholders' Meeting, and the same as when an amendment is available.
- Article 13: The Procedures were agreed to and signed on February 01, 1990, and have been amended as follows:
- 1st amendment was made on May 16, 2001.
 - 2nd amendment was made on June 24, 2002.
 - 3rd amendment was made on August 22, 2014.
 - 4th amendment was made on June 18, 2020.
 - 5th amendment was made on July 20, 2021.

**Effect upon Business Performance and
Earnings per share of Stock Dividends Distribution
Proposed at the Shareholders' Meeting**

Item	Year ended December 31, 2023 (Forecast)	
Paid-in Capital, Beginning of the year	NT\$1,419,345,960	
Distribution Proposal	Cash dividends per share	NT\$0.3
	Stock dividends per share	NT\$0.3
	Stock dividends for retained earnings transferred to capital (stock)	-
Effect upon business performance	According to the Regulations, the Company does not need to disclose its annual financial forecast of Year ended December 31, 2023. Therefore, it is not applicable to disclose this information.	

Share Holding information of Board

1. According to Article 26 of the Securities and Exchange Act, the total of shares held by the directors of the Company as a whole shall account for no less than 8,516,075 shares. As of April 18, 2023, the total of shares held by the directors of the Company are as 50,033,125 shares.
2. The Company has set up the Audit Committee, so there is no legal shareholding applicable.
3. Shares of independent directors are not counted in the number of shares held by all directors.
4. As of the book closure date, the total issued shares of the Company are 141,934,596 shares.
5. Details about share holding of the Board are as follows:

Title	Name	As of April 18, 2023 (The book closure date)	
		Shares	Shareholding ratio
Chairman	CHEN, LONG-SHCEI	2,000,000	1.41%
Director	HSIEH, KUO-HSIUNG	4,218,327	2.97%
Director	HUANG, YEN-FENG Representative of Longwell Company	39,466,798	27.81%
Director	SHI, KUN-MIN Representative of Longwell Company		
Director	HSIEH, YUAN-FENG	1,898,000	1.34%
Director	CHEN, CHIEN-CHIH	2,450,000	1.73%
Independent Director	FENG, BEN-LI	-	-
Independent Director	LIU, KUO-NAN	-	-
Independent Director	SHEN, HSUEH-JEN	-	-
The total of shares held by the directors		50,033,125	35.26%