



# Unictron Technologies Corporation

## 2023 Annual General Shareholders' Meeting Minutes

(English Translation for Reference Only)

**Meeting Type:** Physical shareholders meeting

**Time:** 9:00 a.m. on Thursday, June 15, 2023

**Place:** 2F, No. 428, Kewang Road, Longtan District, Taoyuan City, Taiwan (208 Conference Room in Aspire Resort)

**The Number of Shares of Attendance:**

Total shares represented by shareholders present in person or by proxy: 26,224,804 shares (including electronic voting); percentage of total outstanding 46,875,325 shares (deducting 1,000,000 treasury shares) present in person or by proxy: 55.94%. Until the meeting adjourned, total shares represented by shareholders present in person or by proxy: 26,254,804 shares; percentage of total outstanding 46,875,325 shares (deducting 1,000,000 treasury shares) present in person or by proxy: 56.00%.

**Attendees:** Chairman KAI-CHIEN SU; shareholders Represented of Darfon Electronics Corp. RAN-RONG LEE, HSIEN-CHANG LIN and MING-CHU CHANG; Independent Director and Chair of the Audit Committee WEI-SHUN CHENG; Independent Director CHIEN-MIN WANG; Independent Director YUNG-HO WANG; Independent Director HSI-WEN SHEN and Certified Public Accountant, TZU-CHIEH TANG.

Chair: KAI-CHIEN SU, Chairman

Recorder: SHIH-WEI CHENG

**1. Commencement:** The aggregate shareholding of the shareholders presents in person or by proxy constituted a quorum. The Chair called the meeting to order.

**2. Chair's Address:** (omitted)

**3. Reports Item**

*Notes to Readers:*

*If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese language version shall prevail.*

## (1) 2022 Business Report

### 2022 Business Report

2022 business report and 2023 business plans:

#### I. 2022 business results

##### (I) Results of implemented business plan

The Company's consolidated operating revenue in 2022 was NT\$1,498,552 thousand, reducing by approximately 12% from 2021. After settlement, the after-tax net profit attributable to the owners of the parent company of the full year was NT\$269,773 thousand, reducing by approximately 7% from 2021.

Summary	2022	2021	Rate of increase/decrease
Operating revenue	1,498,552	1,705,810	-12%
Gross operating profit	591,388	723,380	-18%
Net operating profit	255,703	347,687	-26%
Net profit before tax	312,356	350,859	-11%
Net income attributable to parent	269,773	291,024	-7%

(II) Implementation of budget: the Company has not prepared financial projections for Year 2022 and therefore not applicable.

##### (III) Financial incomes, expenditures, and profits

Analysis item		Year 2022
Financial structure	Debt to assets ratio	25%
	Financial liability ratio	4%
	Ratio of long-term capital to fixed assets	292%
Solvency	Current ratio	296%
	Quick ratio	224%
	Times interest earned (pre-tax) (times)	347
Profitability	Return on total assets	12%
	Return on shareholders' equity	16%
	Net profit margin	18%
	Earnings per share (EPS)	5.68

##### (IV) R&D status

The R&D expenses invested this year amounted to NT\$146,930 thousand, an increase of 6.28% from NT\$138,252 thousand in the previous year. As the Company's core competitiveness is the material formula and process technology as well as technology of radio frequency circuit design, the Company, based on customers' needs and the future development direction of the electronics industry, is committed to researching and manufacturing key electronic components, and continues to develop new niche products.

## II. 2023 business plan and outlook

### (I) Operation direction:

Innovative and customized product design, and manufacturing capabilities are the Company's core competitiveness. Continuous R&D of new products is the consistent business philosophy of Unictron Technologies. With the efforts of the R&D team, new products are launched every year. Over the years, the Company has obtained or applied for more than 90 patents in various countries, effectively integrating all sections from innovative design, R&D, patent protection to production, and reduced costs through equipment automation, to fight the threat of competitors and consolidate the existing competitive advantages.

### (II) Expected production, sales and R&D status:

1. Electronic ceramic components: The Company will continue to develop a full range of antenna design and services, including the development of high precision positioning antennas, array antennas and antenna modules for low-orbit satellite ground receiving stations and 5G millimeter wave communications. In terms of piezoelectric material technology development, we are committed to the development of lead-free piezoelectric materials and piezoelectric composite materials. As for product development, we focus on the development and application of new products such as intelligent water buoys, liquid level sensors and flow meters.
2. Modules and system products: Apart from being convenient for customers to use or install, modules and system products can support systematic design based on components technology process, whose added value is higher than that of components. Therefore, the Company will continue to expand the market share of such products in the future.
3. Other electronic components: The Company is a supplier of circuit protection component solutions, providing its customers with a various circuit protection components. Currently, the payback for Company's efforts has been demonstrated in its renowned customers in the Netcom industry. Also, with a number of development plans under verification, a promising future for the development is expected.

### (III) Future company development strategies, and effects from external competition environment, legal environment, and macro operating environment:

Although the global COVID-19 pandemic and shortages of IC and key components have gradually subsided, global spending power remains low. The industry is still facing the problem of high inventory and clients are still focusing on digesting their internal inventories, which has slowed down the rebound in the industry. Nevertheless, the company will still keep track of customer conditions and adjust production capacity to the best possible state.

The capacity expansion and future development plans will continue to be implemented gradually as originally planned. In the long run, the Company's core competitiveness and continuous growth in revenue will remain unchanged.

In addition to continuous R&D, design and launch of new products, the Company is also committed to promoting automation of production line and improving yields, continuously reducing costs and improving product competitiveness. In terms of production of the R&D results, the Company also continuously applies for patents in various countries to protect the intellectual property rights.

For sustainable management and environmental protection, the Company has formulated a strategy of sustainable development based on the principles of environmental protection, social responsibility, and corporate governance.

We aim to balance the interests of our stakeholders through sound and sustainable corporate governance, protect the global environment, and fulfill our corporate social responsibility through social participation.

Chairperson:



President:



Accounting Manager:



## (2) Supervisor's Review Report on the 2022 Financial Statements

### Audit Committee's Review Report

The board of directors has prepared the 2022 business report, consolidated financial statements, and the profit distribution proposal. The financial statements have been audited by Tang, Tzu-Jie, CPA, and Chang, Huei-Jen, CPA from KPMG Taiwan, with the audit report presented. We have reviewed the above business report, financial statements, and the profit distribution proposal, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To

Unictron Technologies Corporation Year 2023 Agenda of Annual Meeting of Shareholders

Convener of the Audit Committee: Cheng, Wei-Shun

鄭維順



March 3, 2023

## (3) 2022 remunerations distribution to employees and director

In accordance with the Company charter, the remuneration of directors for the year 2022 was NT\$2,780,612 and the remuneration of employees was NT\$55,612,247, all of which were paid in cash.

## (4) 2022 earnings distribution and cash dividends

- A. According to the Articles of Incorporation, if the Company is to distribute all or part of the dividends and bonuses, it should be distributed in cash. The resolution shall be adopted in a board meeting attended by two-thirds or more of the directors with the majority of the attending directors in favor, then reported to the shareholders' meeting.
- B. The distributed earnings of the Company are the retained earnings of 2022. With cash dividends for each ordinary share being NT\$5, the total amount of cash dividends is NT\$ 234,376,625.
- C. The percentage of cash dividends is calculated up to the unit of NT\$ and rounded off to the nearest NT\$, and the total amount of deficiencies less than NT\$ 1 is adjusted by decimal places from largest to smallest and account numbers from front to back in order to meet the total amount of cash dividends distributed.
- D. In the event that the payout ratio of shareholders is affected by changes in the Company's share capital and the number of outstanding shares and requires adjustment, the Chairperson shall be authorized to deal with it and revise the distribution record date.

## (5) The status of treasury stocks buyback

Date of board resolution	June 21, 2022
Buyback issuance	1
Purpose of buyback	Transferring shares to employees
Buyback period	July 8, 2022 - August 19, 2022
The actual buyback range price (NT\$)	79.00~92.00
Number of shares to buy back (shares)	1,000,000
Number of shares bought back (shares)	1,000,000
Total value of shares bought back (NT\$ )	85,925,409
The average buyback price per share (NT\$)	85.93
The number of diluted and transferred shares (shares)	0
Number of shares held cumulatively (shares)	1,000,000
Number of shares held cumulatively as a percentage of total outstanding shares:	2.09%
Treasury stock buyback	All the treasury stock have been brought back but not transferred

## 4. Proposals

Proposal 1: [Proposed by the Board]

Proposal: Adoption of the 2022 Business Report and Financial Statements

Explanation:

1. Unictron Technologies Corporation's 2022 Financial Statements have been audited by Tzu-Chieh Tang CPA, and Huei-Chen Chang, CPA from KPMG Taiwan, which can properly show the financial status and cash flow of the Company by the end of December 31 of the Year 2022.
2. The 2022 Business Report, independent auditors' report and financial statements please refer to [Attachment I].

Resolution

Total shares represented by shareholders present in person or by proxy (including electronic voting): 26,244,804

Approval votes: 25,158,288; percentage of votes: 95.86%

Disapproval votes: 6,184; percentage of votes: 0.02%

Invalid votes: 0; percentage of votes: 0.00%

Abstention votes/not vote: 1,080,332; percentage of votes: 4.11%

Proposal was approved after voting without questions raised by shareholders.

Proposal 2: [Proposed by the Board]

Proposal: Adoption of the Proposal for Distribution of 2022 Earnings

Explanation: Earnings Distribution Table of Year 2022:

Unictron Technologies Corporation  
Earnings Distribution Table  
Year 2022



Unit: NTDS

Items	Amount
Unappropriated retained earnings of prior years	226,814,812
Add: Remeasurement of defined benefit plans	1,220,779
Add: net profit after tax in year 2022	269,772,695
Subtotal	497,808,286
Less: 10% legal reserve	-27,099,347
Provision for special reserve	-8,764,693
Distributable profits of the Year	461,944,246
Less: distributable items	
Cash Dividend to shareholders-NT\$5	-234,376,625
Unappropriated retained earnings	227,567,621

Chairperson:



President:



Accounting Manager:



Resolution

Total shares represented by shareholders present in person or by proxy (including electronic voting): 26,244,804

Approval votes: 25,157,288; percentage of votes: 95.85%

Disapproval votes: 6,184; percentage of votes: 0.02%

Invalid votes: 0; percentage of votes: 0.00%

Abstention votes/not vote: 1,081,332; percentage of votes: 4.12%

Proposal was approved after voting without questions raised by shareholders.

5. Discussion

Proposal 1:

[Proposed by the Board]

Proposal: Amendment to the Rules of Procedure for Shareholder Meetings. Please proceed to discuss.

Explanation: In order to conform to the needs of commercial practice or amendments to related commercial laws, the Company hereby proposes to amend the Rules of Procedure for Shareholder Meetings. Please refer to [Attachment II] for details.

Resolution

Total shares represented by shareholders present in person or by proxy (including electronic voting): 26,244,804

Approval votes: 25,157,288; percentage of votes: 95.85%

Disapproval votes: 7,184; percentage of votes: 0.02%

Invalid votes: 0; percentage of votes: 0.00%

Abstention votes/not vote: 1,080,332; percentage of votes: 4.11%

Proposal was approved after voting without questions raised by shareholders.

6. Elections

Proposal 1:

[Proposed by the Board]

Proposal: Proposal for reelection of directors

Explanation:

1. The term of office of the current Directors expires on October 7, 2023 and it is intended that a general re-election of directors will be held in this shareholder’s meeting.
2. In accordance with Article 13 of the Articles of Incorporation, the number of Independent Directors shall not be less than three and shall not be less than one-fifth of the number of Directors.
3. Eight directors (including four independent directors) were elected for a three-year term from June 15, 2023 to June 14, 2026. The term of office of the current directors will expire upon completion of this shareholder meeting.
4. The re-election is in accordance with the Company's Articles of Association and the Rules for Director Election.
5. In accordance with the provisions of the Articles of Association and Article 192-1 of the Companies Act, the Company adopted nominating to elect directors and the list of candidates is approved by the Board of Directors of the Company on May 2, 2023 and related information are as follows:

Candidate category	Name	Gender	Experience	Present position	Shareholding
Director	Legal Representative of Darfon Electronics Corp. LEE,	Male	1. Ph.D., Material Science, Case Western Reserve University, EMBA, National Chiao Tung University 2. R&D Manager, CPS Corp. (USA) Director of Ceramic Laboratory, Institute of Materials Research, ITRI, President of MAG. LAYERS Scientific Technologies Co., Ltd, President of	President, Unictron Technologies Corporation	17,551,081 shares

Candidate category	Name	Gender	Experience	Present position	Shareholding
	RAN-RONG		Chilisin Electronics Corp., R&D Director of Littelfuse, Special Assistant to Chairman, Ta I Technology Co., Ltd., and President, Integrated Component Business Department, Darfon Electronics Corp.		
Director	Legal Representative of Darfon Electronics Corp. CHANG, MING-CHU	Male	1. Ph.D., Material Science, National Tsing Hua University 2. Project Director, Material Laboratories, ITRI	Vice President, Unictron Technologies Corporation	17,551,081 shares
Director	Legal Representative of Darfon Electronics Corp. LIN, HSIEN-CHANG	Male	1. Master, Management Science, National Chiao Tung University 2. Manager, Qisda Corporation (previously BenQ Corporation)	1. Vice President, Finance Division, Darfon Electronics Corp. 2. Supervisor, Darad Innovation Corporation 3. Supervisor, Darfon Materials Corporation 4. Supervisor, Chengli Investment Co., Ltd. 5. Director, Iron Ore Company Limited 6. Supervisor, Astro Tech Co., Ltd. 7. Supervisor, Darfon Energy Technology Corp.	17,551,081 shares
Director	SU, KAI-CHIEN	Male	1. MBA, National Chengchi University 2. Associate Vice President, Qisda Corporation (previously BenQ Corporation)	1. CEO, Unictron Technologies Corporation 2. Chairman and CEO, Darfon Electronics Corp. 3. Chairman, Darad Innovation Corporation 4. Chairman, Darfon Materials Corporation 5. Chairman, Chengli Investment Co., Ltd. 6. Director, BenQ Foundation 7. Chairman, Kenstone Metal Co., Ltd. 8. Chairman, Iron Ore Company Limited 9. Chairman, Astro Tech Co., Ltd. 10. Chairman, TD Hitech Energy Inc. 11. Chairman, Darfon Energy Technology Corp.	900,000 shares
Independent director	CHENG, WEL-SHUN	Male	1. Master, Accounting, North Illinois University 2. Senior Special Assistant, AUO Corporation	1. Independent director, Daxin Materials Corporation 2. Independent director, Raydium Semiconductor Corporation 3. Independent director, Chenbro Micom Co., Ltd. 4. Director, Shirre Lab Corp.	0
Independent director	WANG, YUNG-HO	Male	1. Ph.D., Department of Electronic Engineering, National Cheng Kung University 2. Professor of National Cheng Kung University, and President of National Applied Research Laboratories	1. Professor, National Cheng Kung University 2. Independent director, ChipMos Technologies Inc.	0
Independent director	WANG, CHIEN-MIN	Male	1. PhD, Materials Science Engineering, University of Illinois at Urbana-Champaign · Master, Metallurgical Materials, National Cheng Kung University 2. Adjunct Professor of National Taipei University of Technology, Adjunct Professor of National Tsing Hua University, Adjunct Professor of National Taiwan University of Science and Technology, Vice-chairman of Core Flex Optical (Suzhou), Vice-chairman and technology manager of Coretronic Corp., President of Young Lighting Technology Inc.	1. Review Commissioner for Academic/Industrial/Corporate Technology R&D Projects, Department of Industrial Technology, Ministry of Economic Affairs 2. Independent Director, Taimide Technology Inc.	0
Independent director	SHEN, HSI-WEN	Male	1. MBA, Tulane University, Mechanical Engineering, Chung Yuan Christian University 2. Manager of Motorola Electronics Taiwan, Manufacturing Division Chief of Amkor (Sampo) Semiconductor, Senior Manager of CTS (Chicago Telephone Supply) Taiwan, President of Unictron Technologies Corporation, Senior Vice President of Powertech Technology.	Independent Director of Favite Inc.	0

Voting results : The list of the newly elected 8 directors(including 4 independent directors) with indication of votes received by each was as listed below:

Title	Shareholder account No./ID No.	Shareholder Name or Name	Votes Received
Director	380	SU, KAI-CHIEN	37,413,242
Director	348	Legal Representative of Darfon Electronics Corp. LEE, RAN-RONG	23,662,652
Director	24	Legal Representative of Darfon Electronics Corp. CHANG, MING-CHU	23,486,153
Director	388	Legal Representative of Darfon Electronics Corp. LIN, HSIEN-CHANG	23,545,540
Independent director	L12132****	CHENG, WEI-SHUN	23,345,983
Independent director	R10315****	WANG, YUNG-HO	23,039,570
Independent director	F10039****	WANG, CHIEN-MIN	23,035,570
Independent director	N12158****	SHEN, HSI-WEN	23,031,450

## 7. Other Matters

Proposal 1:

[Proposed by the Board]

Proposal: Proposal to release the prohibition on new directors and their representatives from participation in a competitive business, please proceed to discussion.

Explanation:

- In accordance with Article 209 of the Company Act, "A director shall explain to the shareholders' meeting the material details of his or her acts for himself or herself or for others within the scope of the company's business and obtain his or her approval."
- Considering that the newly elected directors may have invested in or operated other companies with the same or similar business scope and acted as directors, in accordance with Article 209 of the Company Act, it shall be approved by shareholders' meeting to release the prohibition on new directors and their representatives from participation in a competitive business.
- Proposal of release the prohibition on new directors and their representatives from participation in competitive business

Job title	Name	Positions concurrently held in other companies
Director	SU, KAI-CHIEN	Chairperson and CEO of Darfon Electronics Corp., Chairperson of Darad Innovation Corp., Chairperson of Darfon Materials Corp., Chairperson of Chengli Investment Corp., Director of BenQ, Director of Darfon Suzhou Precision Industry Co., Ltd, Director of Darfon Huai'an Electronics Co., Ltd, Director of Darfon Chongqin Electronics Co., Ltd, Director of Darfon America Corporation, Director of Darfon Korea Co, Ltd, Chairperson of Darfon Electronics Czech Co., Ltd, Chairperson of Darfon Electronics the Netherlands Co., Ltd, Chairperson of BESV Japan Corp., Director of Kenstone Metal Corp., Chairperson of Iron Ore Co., Ltd, Chairperson of Astro Tech Corp., Chairperson of TD Hitech Energy Corp., Chairperson of Darfon Energy Technology Corp., Chairperson of Kenstone Metal Company GmbH, Chairperson of KSI Handels GmbH, Director of Astro Engineering Vietnam Co., Ltd, Director of Darfon Energy Technology Corp.



Corporate director representative	LIN, HSIEN-CHANG	Supervisor of Darad Innovation Corp., Supervisor of Darfon Materials Corp., Supervisor of Darfon Suzhou Electronics Co., Ltd, Supervisor of Darfon Suzhou Precision Industry Co., Ltd, Supervisor of Darfon Huai'an Electronics Co., Ltd, Supervisor of Darfon Chongqin Electronics Co., Ltd, Supervisor of Darfon Korea Co, Ltd, Supervisor of Darfon Electronics the Netherlands Co., Ltd, Supervisor of Iron Ore Co., Ltd, Supervisor of Astro Tech Corp., Supervisor of Darfon Energy Technology Corp., Supervisor of Darfon Vietnam Co., Ltd, Director of Iron Ore Co., Ltd., Supervisor of Darfon Suzhou Energy Technology Corp.
Independent director	CHENG, WEI-SHUN	Independent director, Daxin Materials Corp, Independent director, Raydium Semiconductor Corp, Independent director, Chenbro Micom Co., Ltd., Director, Shirre Lab Corp.
Independent director	WANG, YUNG-HO	Independent director, ChipMOS Technologies Inc.
Independent director	WANG, CHIEN-MIN	Independent director, Taimide Tech. Inc.
Independent director	SHEN, HSI-WEN	Independent director, Favite Inc.

Resolution :

Total shares represented by shareholders present in person or by proxy (including electronic voting): 26,254,804

Approval votes: 25,128,798; percentage of votes: 95.71%

Disapproval votes: 10,495; percentage of votes: 0.03%

Invalid votes: 0; percentage of votes: 0.00%

Abstention votes/not vote: 1,115,511; percentage of votes: 4.24%

Proposal was approved after voting without questions raised by shareholders.

## 8. Extraordinary Motions : None.

**9. Adjournment :** The announcement that the meeting was adjourned at 9:35 a.m. was agreed unanimously by shareholders present in person. Until the meeting adjourned, total shares represented by shareholders present in person or by proxy: 26,254,804 shares; percentage of total outstanding 46,875,325 shares(deducting 1,000,000 treasury shares) present in person or by proxy: 56.00%.

**【There were no shareholders' questions this shareholders' meeting.】**

(According to the article 183 of Company Act, The minutes shall record the summary of the essential points of the proceedings and the results of the meeting. The content and procedures of the meeting and the details of shareholders' speaking are still subject to the actual situation of the General Shareholders' Meeting.)

## Independent Auditors' Report

To the Board of Directors of Unictron Technologies Corporation

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

#### I. Revenue recognition

Please refer to Note 4(15) to the consolidated financial reports for the accounting policies related to revenue and Note 6(20) to the consolidated financial reports for disclosures related to revenue recognition. Description on the Key Audit Matters:

The Unictron Group's sales to customers involve different types of transaction terms. The Unictron Group is required to identify the timing of transfer of control of goods to customers based on the sales terms of individual transactions. Therefore, the revenue recognition testing is one of the important evaluation matters performed in our audit of the Unictron Group's parent-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included testing the sales and payment collection operations and the internal control related to its financial reporting, and reviewing the sales contracts or evidence of transactions to assess whether the timing of revenue recognition was based on the terms of the transactions with the customers; testing a sample of sales transactions for the period before and after the end of the year to identify the timing at which the control over the goods was transferred to the customer to satisfy the contractual obligations in order to assess whether the accounting treatment of the timing of revenue recognition was appropriate; reviewing whether significant sales returns and discounts were incurred in the subsequent period to understand and analyze the reasons in order to assess the appropriateness of revenue and related sales returns and discounts in the period in which they are recognized.

## II. Inventory valuation

Please refer to Note 4(8) to the consolidated financial reports for the accounting policies related to inventory valuation; Please refer to Note 5 to the consolidated financial reports for the description on accounting estimates and assumption uncertainties related to inventory valuation; Please refer to Note 6(6) to the consolidated financial reports for the provision of inventory falling price loss.

Description on the Key Audit Matters:

Inventories are subsequently measured at the lower of costs or net realizable value. Due to rapid technological advancement, the costs of inventories may exceed their net realizable value due to obsolescence or a decrease in sales price, resulting in inventory falling price loss. The evaluation of net realizable value involves management's subjective judgment. Therefore, inventory valuation is one of the important evaluation matters in our audit of Unictron Technologies Corporation's consolidated financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included reviewing the inventory aging statements provided by the Unictron Group and analyzing the changes in inventory aging; sampling the accuracy of the inventory aging statements; reviewing the valuation of inventories and confirming that the accounting policies established by the Unictron Group were followed; and evaluating the reasonableness of the allowance for inventory falling price loss and provision policy formulated by the management.

## Other Matter

Unictron Technologies Corporation has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have audited and expressed an unqualified opinion.

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

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

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

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

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

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

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

- I. 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.
- II. 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.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures made by management .

- IV. 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.
- V. 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.
- VI. 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Chieh Tang and Huei-Chen Chang.

KPMG  
Taipei, Taiwan (Republic of China)  
March 3, 2023

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation and Subsidiaries**

**Consolidated Balance Sheets**

**December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

<b>Assets</b>		<b>December 31, 2022</b>		<b>December 31, 2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 603,230	27	1,121,520	46
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	25	-	565	-
1120	Financial assets at fair value through other comprehensive income - current (Note 6(3))	80,509	3	-	-
1136	Financial assets measured at amortized cost - current (Notes 6(1), (4) and 8)	216,100	10	1,100	-
1170	Notes and accounts receivable, net (Notes 6(5) and (20))	259,099	11	351,272	14
1180	Accounts receivable - related parties, net (Notes 6(5), (20) and 7)	24,266	1	20,320	1
1310	Inventories (Note 6(6))	372,885	17	308,639	13
1410	Prepayments and other current assets	17,079	1	12,162	-
<b>Total current assets</b>		<b>1,573,193</b>	<b>70</b>	<b>1,815,578</b>	<b>74</b>
<b>Non-current assets:</b>					
1600	Property, plant and equipment (Notes 6(7) and 7)	588,144	26	506,228	21
1755	Right-of-use assets (Note 6(8))	43,772	2	36,129	2
1760	Investment property, net (Note 6(9))	-	-	27,506	1
1780	Intangible assets (Note 6(10))	6,012	-	8,061	-
1840	Deferred income tax assets (Note 6(16))	18,680	1	13,054	1
1915	Prepayments for equipment	13,753	1	27,815	1
1920	Refundable deposits	4,766	-	4,177	-
<b>Total non-current assets</b>		<b>675,127</b>	<b>30</b>	<b>622,970</b>	<b>26</b>
<b>Total assets</b>		<b>\$ 2,248,320</b>	<b>100</b>	<b>2,438,548</b>	<b>100</b>

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation and Subsidiaries**

**Consolidated Balance Sheets (continued)**

**December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
<b>Liabilities and equity</b>					
<b>Current liabilities:</b>					
2100	Short-term borrowings (Note 6(11))	\$ 86,720	4	72,881	3
2120	Financial liabilities at fair value through profit or loss - current(Note 6(2))	633	-	23	-
2170	Notes and accounts payable	115,773	5	188,895	8
2180	Accounts payable - related parties (Note 7)	10	-	-	-
2219	Other payables (Note 6(21))	263,673	12	276,500	11
2220	Other payables - related parties (Note 7)	3,302	-	202	-
2230	Current income tax liabilities	22,110	1	62,610	2
2250	Provision for liabilities - current (Note 6(13))	1,277	-	1,735	-
2280	Lease liabilities-current (Note 6(12))	16,712	1	15,362	1
2282	Lease liabilities - related parties - current (Notes 6(12) and 7)	4,625	-	-	-
2300	Other current liabilities (Note 6(20))	16,669	1	15,001	1
	<b>Total current liabilities</b>	<b>531,504</b>	<b>24</b>	<b>633,209</b>	<b>26</b>
<b>Non-current liabilities:</b>					
2580	Lease liabilities non-current (Note 6(12))	5,137	-	19,743	1
2582	Lease liabilities - related parties - non-current (Notes 6(12) and 7)	16,633	1	-	-
2570	Deferred income tax liabilities (Note 6(16))	1,164	-	1,661	-
2640	Net defined benefit liabilities - non-current (Note 6(15))	3,862	-	5,776	-
2645	Deposits received	-	-	1,130	-
	<b>Total non-current liabilities</b>	<b>26,796</b>	<b>1</b>	<b>28,310</b>	<b>1</b>
	<b>Total liabilities</b>	<b>558,300</b>	<b>25</b>	<b>661,519</b>	<b>27</b>
<b>Equity (Notes 6(17) and (18))</b>					
3110	Common stock	478,753	21	478,753	20
3200	Capital surplus	690,174	31	690,174	28
	Retained earnings:				
3310	Legal reserve	117,973	5	88,824	4
3320	Special reserve	1,236	-	1,341	-
3350	Unappropriated earnings	497,809	22	519,173	21
		617,018	27	609,338	25
	Other equity:				
3410	Exchange differences on translation of foreign operations	(886)	-	(1,236)	-
3420	Unrealized losses on financial assets at fair value through other comprehensive income	(9,114)	-	-	-
	Total other equity	(10,000)	-	(1,236)	-
3500	Treasury stock	(85,925)	(4)	-	-
	<b>Total equity</b>	<b>1,690,020</b>	<b>75</b>	<b>1,777,029</b>	<b>73</b>
	<b>Total liabilities and equity</b>	<b>\$ 2,248,320</b>	<b>100</b>	<b>2,438,548</b>	<b>100</b>

**See accompanying notes to consolidated financial statements.**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	2022		2021	
	Amount	%	Amount	%
4000	Net revenue (Notes 6(20), 7 and 14)		\$ 1,498,552	100
5000	Operating costs (Notes 6(6), (7), (8), (10), (12), (13), (15), (18), (21), 7 and 12)		(907,164)	(61)
	Gross profit		591,388	39
	Operating expenses (Notes 6(5), (7), (8), (10), (12), (15), (18), (21), 7 and 12):			
6100	Marketing expenses		(71,548)	(4)
6200	Administrative expenses		(118,017)	(8)
6300	Research and development expenses		(146,930)	(10)
6450	Expected credit gain (loss)		810	-
6000	Total operating expenses		(335,685)	(22)
	Operating income		255,703	17
	Non-operating income and expenses (Notes 6(9), (12), (14), (15), (22), (24), 7 and 12):			
7100	Interest income		2,767	-
7010	Other income		17,127	1
7020	Other gains and losses		37,662	3
7050	Finance costs		(903)	-
	Total non-operating income and expenses		56,653	4
	Income before income tax		312,356	21
7950	Less: Income tax expenses (Note 6(16))		(42,583)	(3)
	Net income		269,773	18
	Other comprehensive income (Note 6(17)):			
8310	Items that will not be reclassified subsequently to profit or loss			
8311	Remeasurement of defined benefit plans		1,221	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income		(9,114)	(1)
8349	Income taxes related to items that may not be reclassified		-	-
			(7,893)	(1)
8360	Items that may be subsequently reclassified to profit or loss			
8361	Exchange differences on translation of foreign operations		350	-
8399	Income taxes related to items that may be reclassified		-	-
			350	-
	Other comprehensive income of the period		(7,543)	(1)
	Total comprehensive income of the period		\$ 262,230	17
	Earnings per share (Unit: NT\$, Note 6(19))			
9750	Basic earnings per share		\$ 5.68	6.60
9850	Diluted earnings per share		\$ 5.58	6.55

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributed to owners of parent						Other equity items		Treasury stock	Total equity	
	Retained earnings					Exchange differences on translation of foreign operations	Unrealized losses on financial assets at fair value through other comprehensive income	Total			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriate d earnings						Total
<b>Balance of January 1, 2021</b>	\$ 437,753	131,148	71,789	-	399,274	471,063	(1,341)	-	(1,341)	-	1,038,623
Net income of the period	-	-	-	-	291,024	291,024	-	-	-	-	291,024
Other comprehensive income of the period	-	-	-	-	465	465	105	-	105	-	570
Total comprehensive income of the period	-	-	-	-	291,489	291,489	105	-	105	-	291,594
Appropriation and distribution of earnings:											
Legal reserve	-	-	17,035	-	(17,035)	-	-	-	-	-	-
Special reserve	-	-	-	1,341	(1,341)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(153,214)	(153,214)	-	-	-	-	(153,214)
Capital increase by cash	41,000	546,399	-	-	-	-	-	-	-	-	587,399
Share-based payment transactions	-	12,627	-	-	-	-	-	-	-	-	12,627
<b>Balance of December 31, 2021</b>	<b>478,753</b>	<b>690,174</b>	<b>88,824</b>	<b>1,341</b>	<b>519,173</b>	<b>609,338</b>	<b>(1,236)</b>	<b>-</b>	<b>(1,236)</b>	<b>-</b>	<b>1,777,029</b>
Net income of the period	-	-	-	-	269,773	269,773	-	-	-	-	269,773
Other comprehensive income of the period	-	-	-	-	1,221	1,221	350	(9,114)	(8,764)	-	(7,543)
Total comprehensive income of the period	-	-	-	-	270,994	270,994	350	(9,114)	(8,764)	-	262,230
Appropriation and distribution of earnings:											
Legal reserve	-	-	29,149	-	(29,149)	-	-	-	-	-	-
Special reserve	-	-	-	(105)	105	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(263,314)	(263,314)	-	-	-	-	(263,314)
Repurchase of treasury stock	-	-	-	-	-	-	-	-	-	(85,925)	(85,925)
<b>Balance of December 31, 2022</b>	<b>478,753</b>	<b>690,174</b>	<b>117,973</b>	<b>1,236</b>	<b>497,809</b>	<b>617,018</b>	<b>(886)</b>	<b>(9,114)</b>	<b>(10,000)</b>	<b>(85,925)</b>	<b>1,690,020</b>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2022	2021
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 312,356	350,859
<b>Adjustments for:</b>		
Income and expenses items		
Depreciation expenses	98,334	74,897
Amortization expenses	3,903	4,618
Expected credit impairment loss (reversal gain)	(810)	2,957
Interest expenses	903	1,518
Interest income	(2,767)	(505)
Dividend income	(7,150)	-
Share-based payment compensation costs	-	12,627
Gain on disposal of property, plant and equipment	(61)	-
Gain on disposal of investment property	(36,821)	(1,909)
Total income and expenses items	55,531	94,203
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets at fair value through profit or loss	540	707
Notes and accounts receivable	92,983	(42,527)
Accounts receivable - related parties	(3,946)	21,543
Inventories	(64,246)	(124,336)
Prepayments and other current assets	(4,852)	(1,440)
Total net changes in assets related to operating activities	20,479	(146,053)
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	610	(5)
Notes and accounts payable	(73,122)	26,351
Accounts payable - related parties	10	-
Other payables	(7,746)	68,834
Other payables - related parties	3,100	202
Provision for liabilities	(458)	(757)
Other current liabilities	1,668	4,574
Net defined benefit liabilities	(693)	(3,823)
Total net changes in liabilities related to operating activities	(76,631)	95,376
Total net changes in assets and liabilities related to operating activities	(56,152)	(50,677)
Total adjustments	(621)	43,526
Cash inflows from operations	311,735	394,385
Interest received	2,702	493
Interest paid	(705)	(1,518)
Income taxes paid	(89,218)	(21,872)
<b>Net cash inflows from operating activities</b>	224,514	371,488

(Continued)

**See accompanying notes to consolidated financial statements.**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows (continued)**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets measured at amortized cost	(215,000)	-
Acquisition of financial assets at fair value through other comprehensive income	(89,623)	-
Acquisition of property, plant and equipment (including prepayments for equipment)	(153,013)	(79,784)
Price for disposal of property, plant and equipment	1,067	-
Increase in refundable deposits	(589)	(699)
Acquisition of intangible assets	(1,840)	(5,413)
Acquisition of investment property	(137)	(100)
Price for disposal of investment property	64,070	26,208
Dividends received	7,150	-
<b>Net cash outflows from investing activities</b>	<b>(387,915)</b>	<b>(59,788)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	13,839	37,283
Increase (decrease) in deposits received	(1,130)	50
Principal repayment of leases	(18,639)	(15,033)
Cash dividends paid	(263,314)	(153,214)
Capital increase by cash	-	587,399
Cost of treasury stock repurchase	(85,925)	-
<b>Net cash inflows (outflows) from financing activities</b>	<b>(355,169)</b>	<b>456,485</b>
<b>Effect of changes in exchange rates</b>	<b>280</b>	<b>79</b>
<b>Increase (decrease) in cash and cash equivalents of the period</b>	<b>(518,290)</b>	<b>768,264</b>
<b>Balance of cash and cash equivalents at beginning of period</b>	<b>1,121,520</b>	<b>353,256</b>
<b>Balance of cash and cash equivalents at end of period</b>	<b>\$ 603,230</b>	<b>1,121,520</b>

See accompanying notes to consolidated financial statements.

## Independent Auditors' Report

To the Board of Directors of Unictron Technologies Corporation

### Opinion

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

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

### Basis of opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent-company-only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2022 are stated as follows:

#### I. Revenue recognition

Please refer to Note 4(15) to the parent-company-only financial reports for the accounting policies related to revenue recognition and Note 6(21) to the parent-company-only financial reports for disclosures related to revenue recognition.

Description on the Key Audit Matters:

Unictron Technologies Corporation's sales to customers involve different types of transaction terms. Unictron Technologies Corporation is required to identify the timing of transfer of control of goods to customers based on the sales terms of individual transactions. Therefore, the revenue recognition testing is one of the important evaluation matters performed in our audit of Unictron Technologies Corporation's parent-company-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included testing the sales and payment collection operations and the internal control related to its financial reporting, and reviewing the sales contracts or evidence of transactions to assess whether the timing of revenue recognition was based on the terms of the transactions with the customers; testing a sample of sales transactions for the period before and after the end of the year to identify the timing at which the control over the goods was transferred to the customer to satisfy the contractual obligations in order to assess whether the timing of revenue recognition was appropriate; reviewing whether significant sales returns and discounts were incurred in the subsequent period to understand and analyze the reasons in order to assess the appropriateness of revenue and related sales returns and discounts in the period in which they are recognized.

#### II. Inventory valuation

Please refer to Note 4(7) to the parent-company-only financial reports for the accounting policies related to inventory valuation; Please refer to Note 5 to the parent-company-only financial reports for the description on accounting estimates and assumption uncertainties related to inventory valuation; Please refer to Note 6(6) to the parent-company-only financial reports for the provision of inventory falling price loss.

Description on the Key Audit Matters:

Inventories are subsequently measured at the lower of costs or net realizable value. Due to the rapid

technology advancement, the costs of inventories may exceed their net realizable value due to obsolescence or a decrease in sales price, resulting in inventory falling price loss. The evaluation of net realizable value involves management's subjective judgment. Therefore, inventory valuation is one of the important evaluation matters in our audit of Unictron Technologies Corporation's parent-company-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included reviewing the inventory aging statements provided by Unictron Technologies Corporation and analyzing the changes in inventory aging; sampling the accuracy of the inventory aging statements; reviewing the valuation of inventories and confirming that the accounting policies established by Unictron Technologies Corporation were followed; and evaluating the reasonableness of the allowance for inventory falling price loss and provision policy formulated by the management.

### **Responsibility 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 going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditing standards generally accepted in 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 auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- I. 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 or 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.
- II. 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.
- III. Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- V. 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.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of the investees

accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remained 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Chieh Tang and Hwei-Chen Chang

KPMG  
Taipei, Taiwan  
Republic of China  
March 3, 2023

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

## Unictron Technologies Corporation

### Parent-Company-Only Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>Assets</b>				
<b>Current assets:</b>				
1100 Cash and cash equivalents (Note 6(1))	\$ 593,562	27	1,114,803	46
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	25	-	565	-
1120 Financial assets at fair value through other comprehensive income - current (Note 6(3))	80,509	4	-	-
1137 Financial assets measured at amortized cost - current (Notes 6(1), (4) and 8)	216,100	10	1,100	-
1170 Notes and accounts receivable, net (Notes 6(5) and (21))	238,881	11	326,305	14
1180 Accounts receivable - related parties (Notes 6(5), (21) and 7)	34,981	1	29,368	1
1310 Inventories (Note 6(6))	367,549	16	297,943	12
1410 Prepayments and other current assets	11,155	-	11,994	1
<b>Total current assets</b>	<b>1,542,762</b>	<b>69</b>	<b>1,782,078</b>	<b>74</b>
<b>Non-current assets:</b>				
1550 Investments accounted for using the equity method (Note 6(7))	11,048	1	13,134	1
1600 Property, plant and equipment (Notes 6(8) and 7)	586,977	26	504,683	21
1755 Right-of-use assets (Note 6(9))	41,714	2	31,664	1
1760 Investment property, net (Note 6(10))	-	-	27,506	1
1780 Intangible assets (Note 6(11))	5,504	-	7,123	-
1840 Deferred income tax assets (Note 6(17))	18,680	1	13,054	1
1915 Prepayments for equipment	19,576	1	27,815	1
1920 Refundable deposits	3,986	-	3,460	-
<b>Total non-current assets</b>	<b>687,485</b>	<b>31</b>	<b>628,439</b>	<b>26</b>
<b>Total assets</b>	<b>\$ 2,230,247</b>	<b>100</b>	<b>2,410,517</b>	<b>100</b>

(Continued)

See accompanying notes to the parent-company-only financial statements

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**

**Parent-Company-Only Balance Sheets (continued)**

**December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>Liabilities and equity</b>				
<b>Current liabilities:</b>				
2100 Short-term borrowings (Note 6(12))	\$ 86,720	4	72,881	3
2120 Financial liabilities at fair value through profit or loss - current(Note 6(2))	633	-	23	-
2170 Notes and accounts payable	106,160	5	175,934	7
2180 Accounts payable - related parties (Note 7)	1,158	-	398	-
2219 Other payables (Note 6(22))	257,445	11	267,158	11
2220 Other payables - related parties (Note 7)	3,302	-	222	-
2230 Current income tax liabilities	21,159	1	61,672	2
2252 Provision for liabilities - current (Note 6(14))	1,277	-	1,735	-
2280 Lease liabilities-current (Note 6(13))	14,526	1	12,904	1
2282 Lease liabilities - related parties - current (Notes 6(13) and 7)	4,625	-	-	-
2399 Other current liabilities (Note 6(21))	16,426	1	14,406	1
<b>Total current liabilities</b>	<b>513,431</b>	<b>23</b>	<b>607,333</b>	<b>25</b>
<b>Non-current liabilities:</b>				
2570 Deferred income tax liabilities (Note 6(17))	1,164	-	1,661	-
2581 Lease liabilities non-current (Note 6(13))	5,137	-	17,588	1
2582 Lease liabilities - related parties - non-current (Notes 6(13) and 7)	16,633	1	-	-
2640 Net defined benefit liabilities - non-current (Note 6(16))	3,862	-	5,776	-
2645 Deposits received	-	-	1,130	-
<b>Total non-current liabilities</b>	<b>26,796</b>	<b>1</b>	<b>26,155</b>	<b>1</b>
<b>Total liabilities</b>	<b>540,227</b>	<b>24</b>	<b>633,488</b>	<b>26</b>
<b>Equity (Notes 6(18) and (19))</b>				
3110 Common stock	478,753	21	478,753	20
3200 Capital surplus	690,174	31	690,174	29
Retained earnings:				
3310 Legal reserve	117,973	5	88,824	4
3320 Special reserve	1,236	-	1,341	-
3350 Unappropriated earnings	497,809	23	519,173	21
	617,018	28	609,338	25
Other equity:				
3410 Exchange differences on translation of foreign operations	(886)	-	(1,236)	-
3420 Unrealized losses on financial assets at fair value through other comprehensive income	(9,114)	-	-	-
Total other equity	(10,000)	-	(1,236)	-
3500 Treasury stock	(85,925)	(4)	-	-
<b>Total equity</b>	<b>1,690,020</b>	<b>76</b>	<b>1,777,029</b>	<b>74</b>
<b>Total liabilities and equity</b>	<b>\$ 2,230,247</b>	<b>100</b>	<b>2,410,517</b>	<b>100</b>

**See accompanying notes to the parent-company-only financial statements**

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**  
**Parent-Company-Only Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

		<b>2022</b>		<b>2021</b>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Net revenue (Notes 6(21) and 7)	\$ 1,462,060	100	1,608,599	100
5000	Operating costs (Notes 6(6), (8), (9), (11), (13), (14), (16), (19), (22), 7 and 12)	<u>(880,634)</u>	<u>(60)</u>	<u>(916,278)</u>	<u>(57)</u>
	Gross profit	581,426	40	692,321	43
5910	Unrealized gain on sales	<u>(560)</u>	<u>-</u>	<u>(74)</u>	<u>-</u>
	Realized gross profit	<u>580,866</u>	<u>40</u>	<u>692,247</u>	<u>43</u>
	Operating expenses (Notes 6(5), (8), (9), (11), (13), (15), (16), (19), (22), 7 and 12):				
6100	Marketing expenses	(68,580)	(5)	(79,745)	(5)
6200	Administrative expenses	(103,341)	(7)	(123,779)	(8)
6300	Research and development expenses	(145,462)	(10)	(132,146)	(8)
6450	Expected credit gain (loss)	855	-	(2,195)	-
6000	Total operating expenses	<u>(316,528)</u>	<u>(22)</u>	<u>(337,865)</u>	<u>(21)</u>
	Operating income	<u>264,338</u>	<u>18</u>	<u>354,382</u>	<u>22</u>
	Non-operating income and expenses (Notes 6(10), (13), (15), (23), 7 and 12):				
7100	Interest income	2,751	-	479	-
7010	Other income	14,839	1	3,853	-
7020	Other gains and losses	37,632	2	(2,096)	-
7050	Finance costs	(863)	-	(1,453)	-
7070	Share of profits (losses) of subsidiaries recognized using the equity method	<u>(6,341)</u>	<u>-</u>	<u>(5,694)</u>	<u>-</u>
	Total non-operating income and expenses	<u>48,018</u>	<u>3</u>	<u>(4,911)</u>	<u>-</u>
	Income before income tax	312,356	21	349,471	22
7950	Less: Income tax expenses (Note 6(17))	<u>(42,583)</u>	<u>(3)</u>	<u>(58,447)</u>	<u>(4)</u>
	Net income	<u>269,773</u>	<u>18</u>	<u>291,024</u>	<u>18</u>
	Other comprehensive income (Note 6(18)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	1,221	-	465	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	<u>(9,114)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8349	Income taxes related to items that may not be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(7,893)</u>	<u>-</u>	<u>465</u>	<u>-</u>
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translation of foreign operations	350	-	105	-
8399	Income taxes related to items that may be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>350</u>	<u>-</u>	<u>105</u>	<u>-</u>
	Other comprehensive income of the period	<u>(7,543)</u>	<u>-</u>	<u>570</u>	<u>-</u>
	Total comprehensive income of the period	<u>\$ 262,230</u>	<u>18</u>	<u>291,594</u>	<u>18</u>
	Earnings per share (Unit: NT\$, Note 6(20))				
9750	Basic earnings per share	<u>\$ 5.68</u>		<u>6.60</u>	
9850	Diluted earnings per share	<u>\$ 5.58</u>		<u>6.55</u>	

See accompanying notes to the parent-company-only financial statements



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**  
**Parent-Company-Only of Statement of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings					Total	Exchange differences on translation of foreign operations	Other equity items		Treasury stock	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings			Unrealized losses on financial assets at fair value through other comprehensive income	Total		
<b>Balance of January 1, 2021</b>	\$ 437,753	131,148	71,789	-	399,274	471,063	(1,341)	-	(1,341)	-	1,038,623
Net income of the period	-	-	-	-	291,024	291,024	-	-	-	-	291,024
Other comprehensive income of the period	-	-	-	-	465	465	105	-	105	-	570
Total comprehensive income of the period	-	-	-	-	291,489	291,489	105	-	105	-	291,594
Appropriation and distribution of earnings:											
Legal reserve	-	-	17,035	-	(17,035)	-	-	-	-	-	-
Special reserve	-	-	-	1,341	(1,341)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(153,214)	(153,214)	-	-	-	-	(153,214)
Capital increase by cash	41,000	546,399	-	-	-	-	-	-	-	-	587,399
Share-based payment transactions	-	12,627	-	-	-	-	-	-	-	-	12,627
<b>Balance of December 31, 2021</b>	<b>478,753</b>	<b>690,174</b>	<b>88,824</b>	<b>1,341</b>	<b>519,173</b>	<b>609,338</b>	<b>(1,236)</b>	<b>-</b>	<b>(1,236)</b>	<b>-</b>	<b>1,777,029</b>
Net income of the period	-	-	-	-	269,773	269,773	-	-	-	-	269,773
Other comprehensive income of the period	-	-	-	-	1,221	1,221	350	(9,114)	(8,764)	-	(7,543)
Total comprehensive income of the period	-	-	-	-	270,994	270,994	350	(9,114)	(8,764)	-	262,230
Appropriation and distribution of earnings:											
Legal reserve	-	-	29,149	-	(29,149)	-	-	-	-	-	-
Special reserve	-	-	-	(105)	105	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(263,314)	(263,314)	-	-	-	-	(263,314)
Repurchase of Treasury stock	-	-	-	-	-	-	-	-	-	(85,925)	(85,925)
<b>Balance of December 31, 2022</b>	<b>\$ 478,753</b>	<b>690,174</b>	<b>117,973</b>	<b>1,236</b>	<b>497,809</b>	<b>617,018</b>	<b>(886)</b>	<b>(9,114)</b>	<b>(10,000)</b>	<b>(85,925)</b>	<b>1,690,020</b>

See accompanying notes to the parent-company-only financial statements

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**  
**Parent-Company-Only of Statement of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
<b>Income before income tax of the period</b>	\$ 312,356	349,471
<b>Adjustments for:</b>		
Income and expenses items		
Depreciation expenses	95,319	70,821
Amortization expenses	3,459	4,054
Expected credit impairment loss (reversal gain)	(855)	2,195
Interest expenses	863	1,453
Interest income	(2,751)	(479)
Dividend income	(7,150)	-
Share-based payment compensation costs	-	12,627
Share of losses of subsidiaries recognized using the equity method	6,341	5,694
Gain on disposal of property, plant and equipment	(61)	-
Gain on disposal of investment property	(36,821)	(1,909)
Unrealized gain on sales between affiliated companies	560	74
Total income and expenses items	<u>58,904</u>	<u>94,530</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets at fair value through profit or loss	540	707
Notes and accounts receivable	88,279	(74,569)
Accounts receivable - related parties	(5,613)	51,285
Inventories	(69,606)	(130,621)
Prepayments and other current assets	901	(1,910)
Total net changes in assets related to operating activities	<u>14,501</u>	<u>(155,108)</u>
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	610	(4)
Notes and accounts payable	(69,774)	31,976
Accounts payable - related parties	760	(585)
Other payables	(4,633)	81,124
Other payables - related parties	3,080	222
Provision for liabilities	(458)	(757)
Other current liabilities	2,020	5,074
Net defined benefit liabilities	(693)	(1,488)
Total net changes in liabilities related to operating activities	<u>(69,088)</u>	<u>115,562</u>
Total net changes in assets and liabilities related to operating activities	<u>(54,587)</u>	<u>(39,546)</u>
Total adjustments	<u>4,317</u>	<u>54,984</u>
Cash inflows from operations	316,673	404,455
Interest received	2,687	468
Interest paid	(666)	(1,453)
Income taxes paid	(89,218)	(21,872)
<b>Net cash inflows from operating activities</b>	<u>229,476</u>	<u>381,598</u>

(Continued)

**See accompanying notes to the parent-company-only financial statements**

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation**  
**Parent-Company-Only of Statement of Cash Flows (continued)**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities:</b>		
Cash inflows from combination	-	87,346
Acquisition of financial assets at fair value through other comprehensive income	(89,623)	-
Acquisition of financial assets measured at amortized cost	(215,000)	-
Acquisition of investments accounted for using the equity method	(4,465)	-
Acquisition of property, plant and equipment (including prepayments for equipment)	(158,697)	(79,100)
Price for disposal of property, plant and equipment	1,067	-
Acquisition of investment property	(137)	(100)
Price for disposal of investment property	64,070	26,208
Acquisition of intangible assets	(1,840)	(4,148)
Increase in refundable deposits	(526)	(637)
Dividends received	7,150	-
<b>Net cash inflows (outflows) from investing activities</b>	<u>(398,001)</u>	<u>29,569</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	13,839	37,283
Increase (decrease) in deposits received	(1,130)	50
Principal repayment of leases	(16,186)	(12,727)
Cash dividends paid	(263,314)	(153,214)
Capital increase by cash	-	587,399
Cost of treasury stock repurchase	(85,925)	-
<b>Net cash inflows (outflows) from financing activities</b>	<u>(352,716)</u>	<u>458,791</u>
<b>Increase (decrease) in cash and cash equivalents of the period</b>	<u>(521,241)</u>	<u>869,958</u>
<b>Balance of cash and cash equivalents at beginning of period</b>	<u>1,114,803</u>	<u>244,845</u>
<b>Balance of cash and cash equivalents at end of period</b>	<u><b>\$ 593,562</b></u>	<u><b>1,114,803</b></u>

**See accompanying notes to the parent-company-only financial statements**

## Attachment II

### Unictron Technologies Corporation

#### Comparison Table of Rules of Procedure for Shareholder Meetings before and after revision

Articles	Unrevised Articles	Revised Articles	Description
Article 3	<p>Unless otherwise provided by law, Shareholders' Meetings of the Company shall be convened by the Board of Directors. The convening of an annual general meeting shall be made 20 days in advance, and the convening of an extraordinary general meeting shall be made 10 days in advance by sending a written or electronic notice of the date and place of the meeting and the proposed matters. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting handbook and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, 15 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at <u>this Corporation and</u> the professional shareholder services agent designated <u>thereby</u>. (Omitted.)</p>	<p>Unless otherwise provided by law, Shareholders' Meetings of the Company shall be convened by the Board of Directors. The convening of an annual general meeting shall be made 20 days in advance, and the convening of an extraordinary general meeting shall be made 10 days in advance by sending a written or electronic notice of the date and place of the meeting and the proposed matters. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting handbook and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, 15 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the professional shareholder services agent designated.</p> <p><u>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>I. For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>(Omitted.)</p>	Revision as required by rules and actual situations
Article 4	<p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy</p>	<p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation 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</p>	Revision as required by rules and actual situations

Articles	Unrevised Articles	Revised Articles	Description
	<p>forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 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.</p>	<p>proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 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.</p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting electronically, a written notice of proxy cancellation shall be submitted to the Company before 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.</u></p>	
Article 5	<p>The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders of proxy agents shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders.</p> <p>Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>This Corporation 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. Voting at a shareholders meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more</p>	<p>The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>This Corporation 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. Voting at a shareholders meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and the <u>shares checked in on the virtual meeting platform,</u> plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one</p>	Revision as required by rules and actual situations

Articles	Unrevised Articles	Revised Articles	Description
	<p>than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	<p>representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	
Article 6	<u>Deleted.</u>	<p><u>To convene a virtual shareholders meeting, this Corporation shall include the following particulars in the shareholders meeting notice:</u></p> <p><u>I. How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p><u>(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume</u></p> <p><u>(II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>(III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders meeting.</u></p> <p><u>(IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending virtual shareholders meeting online shall be specified.</u></p>	Added as required by new rules
Article 8	<p>The venue for a shareholders meeting shall be the premises of this Corporation, 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. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it</p>	<p>The venue for a shareholders meeting shall be the premises of this Corporation, 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. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it</p>	Revision as required by rules and actual situations

Articles	Unrevised Articles	Revised Articles	Description
	to attend a shareholders meeting in a non-voting capacity.	to attend a shareholders meeting in a non-voting capacity. <u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u>	
Article 9	The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.	The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u>	Revision as required by rules and actual situations
Article 11	The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, 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 and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. 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	The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, 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 and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>The cancelling of a meeting for want of quorum shall be announced on the virtual meeting platform if the meeting is convened by virtual conference.</u> If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>If a shareholders' meeting is to be held by virtual conference, the shareholders wishing to attend it by video conference should register again with the Company according to Article 5.</u> When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit	Revision as required by rules and actual situations

Articles	Unrevised Articles	Revised Articles	Description
	Company Act.	the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.	
Article 17	<u>When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.</u>	<u>If the shareholders' meeting is held by virtual conference, attending shareholders may ask questions in text on the virtual meeting platform after the chairman calls the meeting to order and before the meeting is adjourned. During each proposal, there is no more than two questions and each question is no more than 200 words. Articles 13 to 15 is inapplicable to it.</u>	Added as required by new rules
Article 18	<u>Deleted.</u>	<u>If the chairman considers that the discussion of a proposal is ready to be put to the vote, the chairman may declare that the discussion has ceased and put it to the vote.</u>	Revision required in accordance with the actual situation
Article 24	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. (For companies that are required to adopt electronic voting in accordance with the first provision of Article 177-1 of the Companies Act, the Company shall adopt electronic means and may adopt written means to exercise its voting rights when it convenes a shareholders' meeting after listing on the stock exchange.) When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known</p>	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. (For companies that are required to adopt electronic voting in accordance with the first provision of Article 177-1 of the Companies Act, the Company shall adopt electronic means and may adopt written means to exercise its voting rights when it convenes a shareholders' meeting after listing on the stock exchange.) When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or by virtual</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by</p>	Revision as required by rules and actual situations



Articles	Unrevised Articles	Revised Articles	Description
	<p>to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. If the Chairman consults all shareholders present and there is no dissenting voice, the proposal shall be deemed to have been carried and shall have the same effect as a poll. If there is dissenting voice, a poll shall be taken in accordance with the provisions stipulated in the former provisions.</p>	<p>correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. If the Chairman consults all shareholders present and there is no dissenting voice, the proposal shall be deemed to have been carried and shall have the same effect as a poll. If there is dissenting voice, a poll shall be taken in accordance with the provisions stipulated in the former provisions.</p> <p><u>If a shareholders' meeting is held by virtual conference, attending shareholders shall vote on all proposals and elections through the video conference platform after the chairman calls the meeting to order and shall complete the voting before the chairman announces the end of the voting, and any delay shall be deemed as abstention.</u></p> <p><u>If a shareholders' meeting is held by virtual conference, the votes shall be counted in one go. The results of the voting and election shall be announced by the chairman.</u></p>	
Article 30	<p>The Rules was made on June 30, 2017 and was made effective upon completion of the public offering of the Company.</p> <p>The first amendment to the Rules was made on June 27, 2018.</p> <p>The second amendment to the Rules was made on Oct. 8, 2020.</p> <p>The third amendment to the Rules was made on Aug. 5, 2021.</p>	<p>The Rules was made on June 30, 2017 and was made effective upon completion of the public offering of the Company.</p> <p>The first amendment to the Rules was made on June 27, 2018.</p> <p>The second amendment to the Rules was made on Oct. 8, 2020.</p> <p>The third amendment to the Rules was made on Aug. 5, 2021</p> <p><u>The fourth amendment to these Regulations was made on June 15, 2023.</u></p>	Date of revision