

Stock code : 1473



Tainan Enterprises Co., Ltd.



2024 Regular Shareholders' Meeting

Agenda Handbook

Time : 9:00am, May 24 (Friday), 2024

Venue : No. 320, Sec. 3, Chung-San Rd., Kuei Jen Dist., Tainan City
(the conference room at the Head Office)

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Tainan Enterprises Co., Ltd.

Meeting Procedures for 2024 Regular Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Reports
- IV. Proposal
- V. Extempore Motions
- VI. Adjournment

Tainan Enterprises Co., Ltd.

2024 Regular Shareholders' Meeting

Time: 9:00am, May 24 (Friday), 2024

Venue: No. 320, Sec. 3, Chung-San Rd., Kuei Jen Dist., Tainan City (the conference room at the Head Office)

Method: The regular shareholders' meeting will be convened in a physical manner.

- I. Call Meeting to Order: announcing the number of attending shares
- II. Chairperson Remarks:
- III. Reports
 - (1) Business report of 2023.
 - (2) Audit committee's Audit Report.
 - (3) Report on the 2023 profit sharing remuneration to employees and directors and the distribution status.
 - (4) Directors remuneration payment report of 2023.
- IV. Proposal
 - (1) Ratify the Company's 2023 business report and financial statement.
 - (2) Ratify the Company's earnings distribution proposal for 2023.
- V. Extempore Motions
- VI. Adjournment

Reports

Proposal 1 : Please review the 2023 Business Report.

Description : For the 2023 Business report, please refer to Attachment 1, page 5-6 of the handbook.

Proposal 2 : Please review the Audit Committee's Audit Report.

Description : For the Audit Committee's Audit Report, please refer to Attachment 2, page 7 of the handbook.

Proposal 3 : Report on the 2023 profit sharing remuneration to employees and directors and the distribution status.

Description: I. Pursuant to Article 31 of the Company's Articles of Incorporation, the Company shall distribute the profit sharing remuneration to employees at a rate of not less than 1% of the Company's profit for the year and the profit sharing remuneration to directors at a rate of not more than 5% of the Company's profit for the year.

II. The Company's 2023 pre-tax income before the distribution of employees' and directors' remuneration is NT\$346,200 thousand. The proposed cash distribution of employee remuneration in the amount of NT\$4,000,000 and director remuneration in the amount of NT\$6,600,000 is not different from the estimated employee remuneration of NT\$4,000,000 and director remuneration of NT\$6,600,000 in the accounts.

Proposal 4 : Please review the Directors remuneration payment report of 2023.

Description: I. The remuneration to the directors of the Company shall be in accordance with Article 31 of the Articles of Incorporation. The Company shall distribute remuneration to directors at a rate of not more than 5% of the profits of the current year. In addition, in accordance with the "Performance Evaluation of Board of Directors" of the Company, reasonable remuneration shall be paid with reference to the performance evaluation results of each director and shall be reviewed by the remuneration committee and approved by the board of directors.

II. The Company's independent directors receive fixed remuneration and do not participate in the distribution of earnings. The fixed remuneration is based on each independent director's participation in the Company's operations and the value of his or her contribution. Also, the remuneration paid by peer companies and listed companies in related industries is also be taken as consideration.

III. For Directors' remuneration payment report, please refer to attachment 3 on pages 8-9 of this handbook.

Proposal

Proposal 1:

Cause: Ratify the Company's 2023 business report and financial statements. (Proposed by the board of directors)

Description: I. The Company's 2023 financial statements, including parent-only and consolidated balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flow, have been audited by Tien, Chung-Yu, CPA and Hsu Huei-Yu, CPA from PwC Taiwan.

II. For the business report, independent auditor's report, and the abovementioned financial statements, please refer to Attachment 1, page 5-6 and Attachment 4, page 10-31 of the handbook.

III. Please ratify

Resolution:

Proposal 2:

Cause: Ratify the Company's earnings distribution proposal for 2023 (Proposed by the board of directors)

Description: Regarding the earnings distribution proposal for 2023, the resolution adopted by the Board Meeting on March 7, 2024 is following:

I. In this earnings distribution, cash dividends of NT\$1.2 per share are intended to be distributed, totaling NT\$175,384,241. If the number of outstanding shares is subsequently affected by the retirement of shares or the issuance of new shares due to the repurchase of the Company's shares or the exercise of employee stock options, please authorize the Chairperson to adjust the distribution rate based on the actual number of outstanding shares of the Company on the base date of dividends distribution in accordance with the total amount of earnings proposed to be distributed from the common stock resolved at the shareholders' meeting.

II. The cash dividends were calculated and rounded off to the nearest NTD at the distribution ratio. The fractional amount less than NTD1 was summed up and recognized by the Company as other revenue of the Company.

III. The cash dividend distribution referred to in the preceding paragraph is proposed to be approved by the shareholders' at the 2024 annual general meeting of the Company and to have the Chairman authorized to determine the dividends record date for the cash dividends distribution and date of payment.

IV. For the distribution of earnings table in 2023, please refer to Attachment 5 on page 32 of the handbook.

V. Please ratify

Resolution:

Extemporaneous Motions

Adjournment

Tainan Enterprises Co., Ltd.

Business Report

We can say that 2023 was a turbulent year. The ongoing Russia-Ukraine War and increasingly intensified China-US Trade War, in addition to the Israel-Kazakhstan War, which was born out of nowhere, natural disasters, inflation and the black swan emerging from time to time, caused the inflation to continue globally, thereby delaying the market demand recovery. It is better to say that 2023 as a year of steady progress rather than a tough year, as it accumulated strength with the ups and downs and waited for the year 2024 which is expected to take a leap up.

Operating Performance and Results 2023

In terms of operating revenue and profitability, the Company's annual consolidated operating revenue was NT\$6.5 billion in 2023, a decrease of 13.5% from that in 2022. The consolidated earnings after tax attributed to the parent company was NT\$310 million. Despite the decline in operating revenue, Tainan Enterprise Co., Ltd. has implemented various lean solutions. Under strict control, air freight was cut significantly from the same period last year. Various business cost control programs were implemented to save on expenditures. Meanwhile, the production capacity adjustment/restructuring made the profit sought in 2023 appear to be more remarkable than that sought in the previous year. Additionally, the Company also plans to build the new plant, Tegal, in Indonesia.

Outlook 2024

Looking forward to 2024, the economic outlook is still full of many uncertainties. Various challenges make the corporate management like walking on eggshells. In order to cope with the current state of turbulence and pessimism in the world, the Company is ready to adjust its status, establish new courses of action and prepare for the future as early as possible.

1. Maximization of operating revenue and layout of diversified production locations

In addition to retaining the existing customers, the Company also provides more diversified products to the existing customers at the same time. Additionally, the Company develops new types of customers with higher growth momentum and higher unit price to help maximization of the operating revenue. The additional new production location set up in new helps make the price more competitive, improve the cooperative scale of the regional supply chain, vertical integration and efficiency, and accelerate the flexibility and response speed to meet customer needs, expand production capacity and increase operating revenue.

2. Streamline costs

In response to the era of low profits, in addition to maximizing operating revenue, the headquarters/factory premises implement various cost control measures to improve the profitability.

3. Digitalization and Talent Training

Improving the level of digitization of the value chain and introducing innovative applications proactively, such as the R&D and implementation of various automated equipment and application of AI algorithms, in order to establish a high-performance and digitized operating mechanism and system, improve the management performance and attract fine-quality employees.

4. ESG

In accordance with international standards, the Company focuses on promotion of the environmental sustainability projects, including installation of additional solar panels, completion of carbon inventory, establishment of the energy management mechanism and implementation of energy conservation measures and sets the goals to promote progress to achieve carbon reduction and keep improving its competitiveness in ESG.

The Company upholds the core values of passion, customer relationship and collaboration to call on all to grow together as one!

Chairman Yang Ching- Hon



General Manager Hsieh Yiu-Chin



Accounting Officer Tsai Chen-Chih



Audit Committee's Audit Report.

The Board of Meeting prepared the Company's 2023 annual business report, parent company only and consolidated financial statements and earnings appropriation proposal. Among them. The parent company only and consolidated financial statements have been checked by PwC Taiwan and an audit report with unqualified opinion has been issued. Said business report, parent company only and consolidated financial statements and earnings appropriation proposal have been reviewed by the Audit Committee and found to have no inconsistencies. This report is issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review it accordingly.

Tainan Enterprises Co., Ltd.

Convener of Audit Committee: Sher Jih-Hsin

March 7, 2024

Directors' Remuneration Payment Report

Unit: NTD Thousand; Share: Thousand Shares

Job Title	Name(Note 4)	Compensation to directors								The total amount of four items A, B, C and D as a percentage of net profit after tax (Note 3)		Employee compensation received by directors								The total amount of four items A, B, C, D, E, F and G as a percentage of net profit after tax (Note 3)		Compensation from investees other than subsidiaries or the parent company
		Remuneration (A)		Retirement Pension (B)		Compensation to directors (C)(Note 1)		Professional practice fees (D) (Note 2)				Salary, bonus and special allowance, <i>et al.</i> (E)		Retirement Pension (F)		Compensation to employees (G)						
		the Company	All companies in the financial statements	the Company	All companies in the financial statements	the Company	All companies in the financial statements	the Company	All companies in the financial statements	the Company	All companies in the financial statements	the Company	All companies in the financial statements	the Company's		All companies in the financial statements		the Company's	All companies in the financial statements			
Chairman of the Board	Yang Ching-Hon																					
Directors	Jing Da Development Co., Ltd. New Representative: Yang Shun-Hui Former Representative: Wang Fang-Chung																					
	Tian Mei Investment Co., Ltd. Representative: Yang Yin-Ying																					
	Ri Fu Investment Co., Ltd. Representative: Yang Fu-Ching																					
	Liang Dao Investment Co., Ltd. Representative: Wu Tao-Chang	-	-	-	-	4,800	4,800	-	-	4,800 1.5	4,800 1.5	15,721	15,721	365	365	-	-	-	-	20,886 6.7	20,886 6.7	5,826
	Xin Wang Ai Investment Co., Ltd. New Representative: Wang Po Ya Former Representative: Su Chiung-Chung																					
	Tai Yang Investment Co., Ltd. New Representative: Weng Hsiao-Wei Former Representative: Hsieh Yiu-Chin																					
	CHC International Investment Co., Ltd. New Representative: Hsieh Yiu-Chin Former Representative: Fang Yen-Ling																					
Independent Director	New Representative: Sher Jih-Hsin																					
	New Representative: Lee Li-Ying																					
	New Representative: Tuanmu Cheng																					
	Former Representative: Lien King-Biau																					
	Former Representative: Pai Chung-Lian Former Representative: Li Chih-Kuang	-	-	-	-	1,800	1,800	-	-	1,800 0.6	1,800 0.6	-	-	-	-	-	-	-	-	1,800 0.6	1,800 0.6	-
1. Please state the policies, systems, standards and structure of compensation to independent directors and the relationship between the compensation and the job responsibility, risk and engagement hours borne by the independent directors: The Company's independent directors receive the fixed remuneration and refrain from participating the distribution of earnings. The fixed remuneration is based on each independent director's participation in the Company's operations and the value of his or her contribution. Also, the remuneration paid by peer companies and listed companies in related industries is also be taken into consideration. 2. Compensation received by directors for providing service to <u>any company included in the Financial Statements</u> (e.g., consultancy service without the title of an employee) in the most recent year except those disclosed in the above table: None.																						

Note 1: The amount of directors' remuneration that the Board Meeting has approved as part of the latest earnings appropriation.

Note 2: The professional practice fees for services rendered in the most recent year (including travel allowances, special allowances, various subsidies, accommodation, corporate vehicles and other in-kind benefits). Where housing, cars, vehicles, or personal allowances were granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other subsidies. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries.

Note 3: Parent company only comprehensive income statement 2023 - current net profit NT\$311,469 thousand; consolidated comprehensive income statement - current net profit NT\$311,469 thousand.

Note 4: The re-election of the Company's whole directors in 2023.

* The basis of compensation disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure and not for tax purpose.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tainan Enterprises Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Tainan Enterprises Co., Ltd. (the “Company”) as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Cut-off of operating revenue from export sales

Description

Refer to Notes 4(27) for the accounting policies on operating revenue and Notes 6(19) for details of revenue. Exports sales comprise a significant portion of the Company's revenues, which are recognized based on the terms and conditions of the transaction agreed with the customer. As the revenue recognition process involves manual process and judgements, there exists a risk of material misstatement that may arise from improper timing in revenue recognition for transactions that occur near the balance sheet date. Thus, we considered the cut-off of operating revenue from export sales a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding and assessed the accounting policies on revenue recognition.
2. Confirmed the completeness of the sales revenue transaction details of the export sales for a certain period before or after the balance sheet date and performed cut-off tests on a sampling basis to inspect the supporting documents (including confirming transaction conditions, checking orders, shipping documents, export declarations and bills of lading, etc.) to ascertain whether sales revenue was recognized in the proper period.

Other matter –Report of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$86,619 thousand and NT\$73,644 thousand, constituting 2% and 1% of the parent company only total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognized from subsidiaries, associates and joint ventures accounted for under the equity method amounted to NT\$19,481 thousand and NT\$19,180 thousand, constituting 6% and 4% of the parent company only total comprehensive income for the years then ended, respectively.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Tien, Chung-Yu

Independent Accountants

Hsu, Huei-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

March 7, 2024

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

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

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 171,260	3	\$ 285,148	6
1110	Financial assets at fair value through profit or loss - current	6(2)	256	-	32	-
1150	Notes receivable, net	6(4)	-	-	891	-
1170	Accounts receivable, net	6(4) and 7	1,153,819	22	1,155,396	23
1200	Other receivables		1,511	-	2,828	-
1210	Other receivables - related parties	7	331	-	1,078	-
1220	Current income tax assets	6(26)	-	-	207	-
130X	Inventories	6(5)	701,324	14	615,866	13
1410	Prepayments	7	16,602	-	27,518	1
11XX	Total current assets		2,045,103	39	2,088,964	43
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	5(2) and 6(2)	86,825	2	86,954	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	545	-	609	-
1535	Financial assets at amortised cost - non-current	6(3)	30,195	1	30,717	-
1550	Investments accounted for under equity method	6(7)	2,472,860	48	2,124,315	43
1600	Property, plant and equipment	6(8)	380,520	7	377,210	8
1760	Investment property, net	6(10)	136,934	3	137,443	3
1780	Intangible assets	6(11)	10,033	-	13,017	-
1840	Deferred income tax assets	6(26)	20,023	-	34,516	1
1915	Prepayments for equipment	6(8)(10)(11)	1,741	-	4,626	-
1920	Guarantee deposits paid		310	-	186	-
1975	Net defined benefit assets - non-current	6(14)	3,156	-	3,158	-
1990	Other non-current assets		9,054	-	9,669	-
15XX	Total non-current assets		3,152,196	61	2,822,420	57
1XXX	Total assets		\$ 5,197,299	100	\$ 4,911,384	100

(Continued)

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022				
			Notes	AMOUNT	%	AMOUNT	%		
Current liabilities									
2100	Short-term borrowings	6(12)	\$	554,000	11	\$	595,842	12	
2130	Contract liabilities - current	6(19)		3,816	-		2,421	-	
2150	Notes payable			2,572	-		3,284	-	
2170	Accounts payable			256,535	5		143,445	3	
2180	Accounts payable - related parties	7		216,432	4		183,820	4	
2200	Other payables	6(13)		143,051	3		150,697	3	
2220	Other payables - related parties	7		273,546	5		253,348	5	
2230	Current income tax liabilities	6(26)		8,530	-		-	-	
2310	Advance receipts			6	-		384	-	
21XX	Total current liabilities			1,458,488	28		1,333,241	27	
Non-current liabilities									
2570	Deferred income tax liabilities	6(26)		39,742	1		39,742	1	
2645	Guarantee deposits received			200	-		331	-	
25XX	Total non-current liabilities			39,942	1		40,073	1	
2XXX	Total liabilities			1,498,430	29		1,373,314	28	
Equity									
Share capital									
3110	Common stock	6(15)(17)		1,461,535	28		1,471,535	30	
3200	Capital surplus	6(15)(16)		824,531	16		830,797	16	
	Retained earnings	6(15)(17)							
3310	Legal reserve			798,013	15		766,835	16	
3320	Special reserve			24,941	1		204,724	4	
3350	Unappropriated retained earnings			618,590	12		311,783	6	
3400	Other equity interest	6(6)(7)(18)	(28,741)	(1)	(24,941)	-
3500	Treasury stocks	6(15)		-	-	(	22,663)	-
3XXX	Total equity			3,698,869	71		3,538,070	72	
	Contingent Liabilities and	9							
Commitments									
3X2X	Total liabilities and equity		\$	5,197,299	100	\$	4,911,384	100	

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

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share data)

			Year ended December 31					
Items		Notes	2023		2022			
			AMOUNT	%	AMOUNT	%		
4000	Operating revenue	6(19) and 7	\$	6,285,222	100	\$	7,321,873	100
5000	Operating costs	6(5)(14)(24)(25) and 7	(	5,830,953)	(93)	(	6,805,000)	(93)
5900	Net operating margin			454,269	7		516,873	7
	Operating expenses	6(11)(14)(24)(25), 7 and 12						
6100	Selling expenses		(	137,453)	(2)	(	160,705)	(2)
6200	General and administrative expenses		(	233,795)	(4)	(	243,403)	(4)
6300	Research and development expenses		(	72,184)	(1)	(	73,426)	(1)
6450	Expected credit losses		(	2,052)	-	(	5,380)	-
6000	Total operating expenses		(	445,484)	(7)	(	482,914)	(7)
6900	Operating profit			8,785	-		33,959	-
	Non-operating income and expenses							
7100	Interest income	6(3)(20)		5,970	-		2,786	-
7010	Other income	6(9)(10)(21), 7 and 12		10,326	-		29,058	-
7020	Other gains and losses	6(2)(10)(22)(24) and 12		29,034	-		105,666	2
7050	Finance costs	6(23)	(	10,543)	-	(	13,674)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)						
				292,029	5		154,009	2
7000	Total non-operating income and expenses			326,816	5		277,845	4
7900	Profit before income tax			335,601	5		311,804	4
7950	Income tax expense	6(26)	(	24,132)	-	(	10,772)	-
8200	Profit for the year		\$	311,469	5	\$	301,032	4
	Other comprehensive income (loss)							
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss							
8311	Actuarial (losses) gains on defined benefit plan	6(14)	(\$	1,874)	-	\$	8,888	-
8316	Unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)(18)	(	64)	-	(	30)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	6(7)		5,985	-		9,618	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(26)		375	-	(	1,778)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss							
8361	Financial statements translation differences of foreign operations	6(7)(18)	(	8,796)	-		181,192	3
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for under equity method - will be reclassified to profit or loss	6(7)(18)	(	142)	-		9	-
8300	Total other comprehensive (loss) income for the year		(\$	4,516)	-	\$	197,899	3
8500	Total comprehensive income for the year		\$	306,953	5	\$	498,931	7
	Earnings per share (in dollars)	6(27)						
9750	Basic		\$	2.13		\$	2.06	
9850	Diluted		\$	2.13		\$	2.06	

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

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Retained Earnings					Other Equity Interest			
							Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total equity
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
Year ended December 31, 2022										
Balance at January 1, 2022		\$ 1,471,535	\$ 845,412	\$ 766,835	\$ 162,805	\$ 41,921	(\$ 208,039)	(\$ 4,052)	(\$ 22,663)	\$ 3,053,754
Net income for the year ended December 31, 2022		-	-	-	-	301,032	-	-	-	301,032
Other comprehensive income for the year ended December 31, 2022	6(18)	-	-	-	-	10,749	181,201	5,949	-	197,899
Total comprehensive income for the year ended December 31, 2022		-	-	-	-	311,781	181,201	5,949	-	498,931
Distribution of 2021 net income:										
Special reserve		-	-	-	41,919	(41,919)	-	-	-	-
Cash distribution from capital surplus	6(16)	-	(14,615)	-	-	-	-	-	-	(14,615)
Balance at December 31, 2022		\$ 1,471,535	\$ 830,797	\$ 766,835	\$ 204,724	\$ 311,783	(\$ 26,838)	\$ 1,897	(\$ 22,663)	\$ 3,538,070
Year ended December 31, 2023										
Balance at January 1, 2023		\$ 1,471,535	\$ 830,797	\$ 766,835	\$ 204,724	\$ 311,783	(\$ 26,838)	\$ 1,897	(\$ 22,663)	\$ 3,538,070
Net income for the year ended December 31, 2023		-	-	-	-	311,469	-	-	-	311,469
Other comprehensive (loss) income for the year ended December 31, 2023	6(18)	-	-	-	-	(716)	(8,938)	5,138	-	(4,516)
Total comprehensive income (loss) for the year ended December 31, 2023		-	-	-	-	310,753	(8,938)	5,138	-	306,953
Distribution of 2022 net income:										
Legal reserve		-	-	31,178	-	(31,178)	-	-	-	-
Special reserve		-	-	-	(179,783)	179,783	-	-	-	-
Cash dividends	6(17)	-	-	-	-	(146,154)	-	-	-	(146,154)
Retirement of treasury shares	6(15)	(10,000)	(6,266)	-	-	(6,397)	-	-	22,663	-
Balance at December 31, 2023		\$ 1,461,535	\$ 824,531	\$ 798,013	\$ 24,941	\$ 618,590	(\$ 35,776)	\$ 7,035	\$ -	\$ 3,698,869

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

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 335,601	\$ 311,804
Adjustments			
Adjustments to reconcile profit (loss)			
Foreign currency exchange loss		779	3,758
Gain on financial assets and liabilities at fair value through profit or loss	6(22)	(224)	(32)
Loss on disposal of investments		115	-
Expected credit losses	12	2,052	5,380
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(292,029)	(154,009)
Reclassification of exchange loss arising from disposal of investments	6(18)(22)	-	4,658
Depreciation	6(8)(10)(24)	14,041	12,660
(Gain) loss on disposal of property, plant and equipment	6(22)	(870)	33
Loss on disposal of investment property	6(22)	-	3
Amortisation	6(11)(24)	9,198	8,358
Prepayment for equipment transferred to expenses		17	-
Interest income	6(20)	(5,970)	(2,786)
Dividend income	6(21)	-	(12)
Interest expense	6(23)	10,543	13,674
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		891	(511)
Accounts receivable		(475)	(62,889)
Other receivables		1,306	(723)
Other receivables - related parties		747	390
Inventories		(85,458)	129,464
Prepayments		10,916	93,571
Net defined benefit assets - non-current		(1,872)	(3,343)
Changes in operating liabilities			
Contract liabilities - current		1,395	(5,053)
Notes payable		(712)	(5,163)
Accounts payable		113,090	(99,961)
Accounts payable - related parties		32,612	65,661
Other payables		(6,650)	37,453
Other payables - related parties		20,198	27,114
Advance receipts		(378)	-
Cash inflow generated from operations		158,863	379,499
Dividends received		-	12
Interest received		5,981	2,864
Income tax received		205	-
Interest paid		(10,648)	(13,547)
Income tax paid		(732)	(365)
Net cash flows from operating activities		153,669	368,463

(Continued)

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost		(\$ 44)	(\$ 43)
Decrease in other receivables - related parties		-	116,256
Decrease in Financial assets at fair value through profit or losses - non-current		14	-
Acquisition of investments accounted for under equity method	6(7)	(59,469)	-
Proceeds from liquidation of investments accounted for under equity method	6(7)	-	10,019
Cash paid for acquisition of property, plant and equipment	6(28)	(12,958)	(1,614)
Proceeds from disposal of property, plant and equipment		952	-
Cash paid for acquisition of investment property	6(28)	(1,254)	(3,973)
Cash paid for acquisition of intangible assets	6(28)	(5,208)	(4,081)
Increase in prepayments for equipment		(1,741)	(4,625)
Increase in guarantee deposits paid		(124)	-
Decrease in other non-current assets		<u>615</u>	<u>255</u>
Net cash flows (used in) from investing activities		(<u>79,217</u>)	<u>112,194</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	554,000	596,055
Repayments of short-term borrowings	6(29)	(596,055)	(839,122)
Decrease in short-term notes and bills payable	6(29)	-	(150,000)
Decrease in guarantee deposit received	6(29)	(131)	-
Cash distribution from capital surplus	6(16)	-	(14,615)
Payment of cash dividends	6(17)	(<u>146,154</u>)	<u>-</u>
Net cash flows used in financing activities		(<u>188,340</u>)	(<u>407,682</u>)
Net (decrease) increase in cash and cash equivalents		(113,888)	72,975
Cash and cash equivalents at beginning of year	6(1)	<u>285,148</u>	<u>212,173</u>
Cash and cash equivalents at end of year	6(1)	\$ 171,260	\$ 285,148

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tainan Enterprises Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Tainan Enterprises Co., Ltd. and its subsidiaries (the “Group”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Cut-off of operating revenue from export sales

Description

Refer to Note 4(29) for accounting policies on operating revenue and Notes 6(21) and 14(6) for details of revenue. Exports sales comprise a significant portion of the Group's revenues, which are recognized based on the terms and conditions of the transaction agreed with the customer. As the revenue recognition process involves manual process and judgements, there exists a risk of material misstatement that may arise from improper timing in revenue recognition for transactions that occur near the balance sheet date. Thus, we considered the cut-off of operating revenue from export sales a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding and assessed the accounting policies on revenue recognition.
2. Confirmed the completeness of the sales revenue transaction details of the export sales for a certain period before or after the balance sheet date and performed cut-off tests on a sampling basis to inspect the supporting documents (including confirming transaction conditions, checking orders, shipping documents, export declarations and bills of lading, etc.) to ascertain whether sales revenue was recognized in the proper period.

Other matter – Reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$86,619 thousand and NT\$73,644 thousand, constituting 2% and 1% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$19,481 thousand and NT\$19,180 thousand, constituting 6% and 4% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with an *Other matter* section on the parent company only financial statements of Tainan Enterprises Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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

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

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

Those charged with governance, including 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:

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

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Tien, Chung-Yu

Independent Accountants

Hsu, Huei-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

March 7, 2024

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

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

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 735,368	14	\$ 798,957	15
1110	Financial assets at fair value through profit or loss - current	6(2)	256	-	32	-
1136	Financial assets at amortized cost - current	6(3)	86,314	2	65,745	1
1150	Notes receivable, net	6(4)	-	-	891	-
1170	Accounts receivable, net	6(4)	1,186,664	22	1,183,709	23
1200	Other receivables		56,368	1	61,152	1
1220	Current income tax assets	6(28)	71	-	232	-
130X	Inventories	6(5)	1,203,643	22	1,071,255	21
1410	Prepayments	6(8)	79,618	1	82,917	2
11XX	Total current assets		3,348,302	62	3,264,890	63
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	5(2) and 6(2)	86,825	2	86,954	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	545	-	609	-
1535	Financial assets at amortised cost - non-current	6(3)	494,292	9	320,144	6
1550	Investments accounted for under equity method	6(7)	86,619	2	73,644	2
1600	Property, plant and equipment	6(8)	1,000,279	18	1,053,270	21
1755	Right-of-use assets	6(9)	114,728	2	110,252	2
1760	Investment property, net	6(11)	136,934	3	137,443	3
1780	Intangible assets	6(12)(13)	10,033	-	13,054	-
1840	Deferred income tax assets	6(28)	66,808	1	68,773	1
1915	Prepayments for equipment	6(8)(11)(12)	55,270	1	13,440	-
1920	Guarantee deposits paid		14,482	-	15,075	-
1975	Net defined benefit asset - non-current	6(16)	3,156	-	3,158	-
1990	Other non-current assets		16,088	-	16,184	-
15XX	Total non-current assets		2,086,059	38	1,912,000	37
1XXX	Total assets		\$ 5,434,361	100	\$ 5,176,890	100

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TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022				
			Notes	AMOUNT	%	AMOUNT	%		
Current liabilities									
2100	Short-term borrowings	6(14)	\$	609,000	11	\$	700,809	14	
2130	Contract liabilities - current	6(21)		4,891	-		5,028	-	
2150	Notes payable			6,951	-		7,516	-	
2170	Accounts payable			413,529	8		217,697	4	
2200	Other payables	6(15)		439,167	8		454,982	9	
2230	Current income tax liabilities	6(28)		33,781	1		27,322	-	
2280	Lease liabilities - current			30,000	-		28,555	1	
2310	Advance receipts			6	-		384	-	
21XX	Total current liabilities			1,537,325	28		1,442,293	28	
Non-current liabilities									
2570	Deferred income tax liabilities	6(28)		49,267	1		39,742	1	
2580	Lease liabilities - non-current			17,358	-		45,091	1	
2640	Net defined benefit liabilities - non-current	6(16)		128,887	3		108,684	2	
2645	Guarantee deposits received			2,655	-		3,010	-	
25XX	Total non-current liabilities			198,167	4		196,527	4	
2XXX	Total liabilities			1,735,492	32		1,638,820	32	
Equity attributable to owners of parent									
Share capital									
3110	Common stock	6(17)(19)		1,461,535	27		1,471,535	28	
3200	Capital surplus	6(17)(18)		824,531	15		830,797	15	
	Retained earnings	6(17)(19)							
3310	Legal reserve			798,013	15		766,835	15	
3320	Special reserve			24,941	1		204,724	4	
3350	Unappropriated retained earnings			618,590	11		311,783	6	
3400	Other equity interest	6(6)(7)(20)	(28,741)	(1)	(24,941)	-
3500	Treasury stocks	6(17)		-	-	(	22,663)	-
3XXX	Total equity			3,698,869	68		3,538,070	68	
Contingent Liabilities and Commitments									
3X2X	Total liabilities and equity		\$	5,434,361	100	\$	5,176,890	100	

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

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share data)

			Year ended December 31			
	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(21) and 7	\$ 6,508,300	100	\$ 7,529,845	100
5000	Operating costs	6(5)(9)(16)(26)(27) and 7	(5,345,401)	(82)	(6,310,580)	(84)
5900	Net operating margin		<u>1,162,899</u>	<u>18</u>	<u>1,219,265</u>	<u>16</u>
	Operating expenses	6(9)(12)(16)(26)(27), 7 and 12				
6100	Selling expenses		(216,665)	(3)	(287,016)	(4)
6200	General and administrative expenses		(583,154)	(9)	(615,162)	(8)
6300	Research and development expenses		(74,671)	(1)	(75,981)	(1)
6450	Expected credit losses		(2,052)	-	(5,380)	-
6000	Total operating expenses		(876,542)	(13)	(983,539)	(13)
6900	Operating profit		<u>286,357</u>	<u>5</u>	<u>235,726</u>	<u>3</u>
	Non-operating income and expenses					
7100	Interest income	6(3)(22)	41,332	1	25,217	-
7010	Other income	6(10)(11)(23) and 7	15,740	-	32,269	1
7020	Other gains and losses	6(2)(3)(9)(11)(24)(26) and 12	18,951	-	61,858	1
7050	Finance costs	6(9)(25)	(16,538)	-	(20,689)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)				
			<u>14,376</u>	<u>-</u>	<u>12,919</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>73,861</u>	<u>1</u>	<u>111,574</u>	<u>2</u>
7900	Profit before income tax		<u>360,218</u>	<u>6</u>	<u>347,300</u>	<u>5</u>
7950	Income tax expense	6(28)	(48,749)	(1)	(46,268)	(1)
8200	Profit for the year		<u>\$ 311,469</u>	<u>5</u>	<u>\$ 301,032</u>	<u>4</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial (losses) gains on defined benefit plans	6(16)	(\$ 927)	-	\$ 13,392	-
8316	Unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)(20)	(64)	-	(30)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	6(7)(20)	5,247	-	6,105	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(28)	166	-	(2,769)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(20)	(8,796)	-	180,425	3
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method - will be reclassified to profit or loss	6(7)(20)	(142)	-	776	-
8300	Total other comprehensive (loss) income for the year		(\$ 4,516)	-	\$ 197,899	3
8500	Total comprehensive income for the year		<u>\$ 306,953</u>	<u>5</u>	<u>\$ 498,931</u>	<u>7</u>
	Income attributable to:					
8610	Owners of the parent		<u>\$ 311,469</u>	<u>5</u>	<u>\$ 301,032</u>	<u>4</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 306,953</u>	<u>5</u>	<u>\$ 498,931</u>	<u>7</u>
	Earnings per share (in dollars)	6(29)				
9750	Basic		<u>\$ 2.13</u>		<u>\$ 2.06</u>	
9850	Diluted		<u>\$ 2.13</u>		<u>\$ 2.06</u>	

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

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
		Retained Earnings					Other Equity Interest			
							Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total equity
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
<u>Year ended December 31, 2022</u>										
Balance at January 1, 2022		\$ 1,471,535	\$ 845,412	\$ 766,835	\$ 162,805	\$ 41,921	(\$ 208,039)	(\$ 4,052)	(\$ 22,663)	\$ 3,053,754
Net Income for the year ended December 31, 2022		-	-	-	-	301,032	-	-	-	301,032
Other comprehensive income for the year ended December 31, 2022	6(20)	-	-	-	-	10,749	181,201	5,949	-	197,899
Total comprehensive income for the year ended December 31, 2022		-	-	-	-	311,781	181,201	5,949	-	498,931
Distribution of 2021 net income:										
Special reserve		-	-	-	41,919	(41,919)	-	-	-	-
Cash distribution from capital surplus	6(18)	-	(14,615)	-	-	-	-	-	-	(14,615)
Balance at December 31, 2022		\$ 1,471,535	\$ 830,797	\$ 766,835	\$ 204,724	\$ 311,783	(\$ 26,838)	\$ 1,897	(\$ 22,663)	\$ 3,538,070
<u>Year ended December 31, 2023</u>										
Balance at January 1, 2023		\$ 1,471,535	\$ 830,797	\$ 766,835	\$ 204,724	\$ 311,783	(\$ 26,838)	\$ 1,897	(\$ 22,663)	\$ 3,538,070
Net Income for the year ended December 31, 2023		-	-	-	-	311,469	-	-	-	311,469
Other comprehensive (loss) income for the year ended December 31, 2023	6(20)	-	-	-	-	(716)	(8,938)	5,138	-	(4,516)
Total comprehensive income (loss) for the year ended December 31, 2023		-	-	-	-	310,753	(8,938)	5,138	-	306,953
Distribution of 2022 net income:										
Legal reserve		-	-	31,178	-	(31,178)	-	-	-	-
Special reserve		-	-	-	(179,783)	179,783	-	-	-	-
Cash dividends	6(19)	-	-	-	-	(146,154)	-	-	-	(146,154)
Retirement of treasury shares	6(17)	(10,000)	(6,266)	-	-	(6,397)	-	-	22,663	-
Balance at December 31, 2023		\$ 1,461,535	\$ 824,531	\$ 798,013	\$ 24,941	\$ 618,590	(\$ 35,776)	\$ 7,035	\$ -	\$ 3,698,869

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

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 360,218	\$ 347,300
Adjustments			
Adjustments to reconcile profit (loss)			
Foreign currency exchange losses		779	4,006
Gain on financial assets and liabilities at fair value through profit or loss	6(24)	(224)	(32)
Impairment loss on financial assets at amortized cost - current	6(3)(24)	-	42,788
Loss on disposal of investments		115	-
Expected credit losses	12	2,052	5,380
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(14,376)	(12,919)
Reclassification of exchange loss arising from disposal of investments	6(20)(24)	-	4,658
Depreciation	6(8)(9)(11)(26)	133,367	137,083
(Gain) loss on disposal of property, plant and equipment	6(24)	(1,210)	27
Gain from lease modification	6(9)(24)	(53)	-
Loss on disposal of investment property	6(24)	-	3
Amortisation	6(12)(26)	9,235	8,483
Prepayment for equipment transferred to expense		17	-
Interest income	6(22)	(41,332)	(25,217)
Dividend income	6(23)	-	(12)
Interest expense	6(25)	16,538	20,689
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		891	(511)
Accounts receivable		(5,007)	(43,918)
Other receivables		(927)	7,237
Inventories		(132,388)	145,610
Prepayments		3,089	44,710
Changes in operating liabilities			
Contract liabilities - current		(137)	(3,748)
Notes payable		(565)	(5,638)
Accounts payable		195,832	(129,698)
Other payables		(17,487)	27,553
Advance receipts		(378)	(197)
Net defined benefit liabilities - non-current		17,771	15,588
Cash inflow generated from operations		525,820	589,225
Interest received		39,594	25,576
Dividends received		6,506	7,384
Income tax received		8,210	-
Interest paid		(16,649)	(20,438)
Income tax paid		(38,774)	(14,236)
Net cash flows from operating activities		524,707	587,511

(Continued)

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) Decrease in financial assets at amortised cost		(\$ 198,144)	\$ 2,115
Decrease in other reveivables		7,533	9,369
Decrease in financial assets at fair value through profit or loss - non-current		14	-
Proceeds from liquidation of investments accounted for using equity method	6(7)	-	10,019
Cash paid for acquisition of property plant and equipment	6(30)	(39,158)	(49,300)
Proceeds from disposal of property, plant and equipment		3,575	1,386
Acquisition of right-of-use asset		(36,113)	(5,209)
Cash paid for acquisition of investment property	6(30)	(1,254)	(3,973)
Cash paid for acquisition of intangible assets	6(30)	(5,208)	(4,081)
Increase in prepayments for equipment		(48,679)	(13,439)
Decrease (increase) in guarantee deposits paid		593	(2,298)
Decrease in other non-current assets		2,319	3,382
Net cash flows used in investing activities		(314,522)	(52,029)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(31)	595,963	683,382
Repayments of short-term borrowings	6(31)	(688,805)	(968,927)
Decrease in short-term notes and bills payable	6(31)	-	(150,000)
Payments of lease liabilities	6(31)	(30,492)	(28,806)
Decrease in guarantee deposit received	6(31)	(355)	(4,693)
Cash distribution from capital surplus	6(18)	-	(14,615)
Payment of cash dividends	6(19)	(146,154)	-
Net cash flows used in financing activities		(269,843)	(483,659)
Effect of foreign exchange rate changes on cash		(3,931)	66,039
Net (decrease) increase in cash and cash equivalents		(63,589)	117,862
Cash and cash equivalents at beginning of year	6(1)	798,957	681,095
Cash and cash equivalents at end of year	6(1)	\$ 735,368	\$ 798,957

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

Tainan Enterprises Co., Ltd.

Table of Earnings Distribution

2023

Unit: NT\$

Item	Amount		Note
Current net profit		311,468,499	
Plus : Current other comprehensive income(definded benefit plan)		(716,455)	
Less : Provision of legal reserve(10% of net profit after tax)		(31,075,204)	
Less : Provision of special reserve		(3,799,735)	
Less : Cancellation of treasury shares		(6,396,365)	
Current distributable amount (adjustment of retained earnings.)		269,480,740	
Previous Year's Unappropriated Earnings	314,233,351		
Previous Year's Unappropriated Earnings		314,233,351	
Cumulative Earnings Available for Distribution		583,714,091	
Items for Distribution			
Cash Dividends (per share NT\$1.2)		175,384,241	
End of Term unappropriated Earnings		408,329,850	

Remarks: Pursuant to Article 31-1 of the Articles of Incorporation, if there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying taxes and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital and the remainder shall be set aside or reversed as special reserve in accordance with the law; if there is any remaining balance, it shall be set aside as distributable earnings for the current period. The Company's dividends policy is to distribute dividends to shareholders in an amount not less than 30% of the distributable earnings for the period in accordance with the Company's current and future development plans, the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders are taken into account. The distribution of dividends to shareholders may be made in cash or in stock, with the percentage of cash dividends being no less than 10% of the total dividends.

Chairman:
Yang Ching-Hon



General Manager:
Hsieh Yiu-Chin



Accounting Officer:
Tsai Chen-Chih



Articles of Incorporation,
Tainan Enterprises Co., Ltd.

Chapter I General Principles

Amended on June 20, 2022

- Article 1 The Company is incorporated as a company limited by shares defined in the Company Act, and the name is 臺南企業股份有限公司 in Chinese, and TAINAN ENTERPRISES CO., LTD in English.
- Article 2 The Company operates the following business:
1. C306010 Wearing Apparel
 2. C307010 Clothing Accessories
 3. CJ01010 Hat Manufacturing
 4. CK01010 Footwear Manufacturing
 5. CL01010 Umbrella Manufacturing
 6. CM01010 Case and Bag Manufacturing
 7. CZ99020 Zipper and Button Manufacturing
 8. C305010 Printing, Dyeing, and Finishing
 9. C801120 Manufacture of Man-made Fibers
 10. C805060 Plastic Leathers Products Manufacturing
 11. I101110 Textile Industry Consultancy
 12. F401010 International Trade
 13. C301010 Yarn Spinning Mills
 14. C302010 Weaving of Textiles
 15. F113010 Wholesale of Machinery
 16. H701010 Housing and Building Development and Rental
 17. F111090 Wholesale of Building Materials
 18. E604010 Machinery Installation
 19. CB01010 Mechanical Equipment Manufacturing
 20. C303010 Non-woven Fabrics Mills
 21. CF01011 Medical Devices Manufacturing
 22. F108031 Wholesale of Medical Devices
 23. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 When the Company offers guarantees (endorsement included) to third-parties, the Company's "Procedures for Making of Endorsements/Guarantees" shall be complied with.
- Article 3 The Company locates in Tainan City; if necessary, branches may be set up in other locations upon the resolutions of the Board Meeting.
- Article 4 The Company's announcement are made in the manners specified in Article 28 of the Company Act.

Chapter II Shares

- Article 5 The Company's authorized total capital is Two Billion New Taiwan Dollars and divided into Two Hundred Million shares, at a par value of Ten New Taiwan Dollars, and the Board Meeting is authorized to issue shares in batches. Of which, One Million New Taiwan Dollars, divided into Ten Million shares a par value of Ten New Taiwan Dollars, are reserved for issuing employee share subscription warrants.
- Article 6 The issued Company's shares are exempted from printing hardcopies; however, the registration shall be made to the collective securities custody enterprises.
- Article 7 The shareholder services, including transferring shares; setting up rights and pledges; reporting loss, inheritance, gifting; reporting loss or changing seals; or changing address by any shareholders, otherwise specified by the laws and regulations of securities, the "Regulations Governing the Administration of Shareholder Services of Public Companies" shall be complied with.
- Article 8 Deleted
- Article 9 Deleted
- Article 10 Deleted
- Article 11 The book is closed from 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter III Shareholders' Meetings

- Article 12 Shareholders' meetings are divided as regular and special shareholders' meeting. The regular shareholders' meetings are convened within six months after close of each fiscal year and the shareholders shall be notified 30 days prior to the convening date; special shareholders' meetings are convened when required pursuant to the laws and the shareholders shall be notified 15 days prior to the convening date. The notice in the preceding paragraph shall specify the meeting date, venue and cause of convention. A shareholders' meeting shall, unless otherwise provided for in this Act, be convened by the Board Meeting.
- Article 13 A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. The Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority shall be complied with.
- Article 14 If a shareholders' meeting is convened by the Board Meeting, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, one of the directors shall select from among themselves one person to serve as chair. When the meeting is convened by a person with the right of convening, the person serves as the chair; if two or more people have the right of convening, elect one of them shall serve as the chair.
- Article 15 The company's shareholders' meeting may be held by video conferencing or other means announced by the central competent authority.
- Article 16 Unless the Company Act provides otherwise, the resolutions of shareholders' meetings shall be adopted in the meetings attended by the majority of the total issued shares, with the approval of the majority of the attending voting rights.
According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.
Unless the Company Act provides otherwise, each share of stock shall be entitled for one vote.

- Article 17 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes in the preceding paragraph may be distributed in the manner of announcement. The meeting minutes shall record the key points of the process of agenda and the results and retained in the Company with the attendance book and proxies.

Chapter IV Directors and the Audit Committee

- Article 18 The board of directors of the Company consists of seven to eleven directors; and are elected by the shareholders' meeting from among the persons with disposing capacity. The term of office is three years, and may be re-elected
Among the directors, at least three of seats, and one-fifth of them are the independent directors. The candidates nomination system is adopted for electing all directors, and elected from the list of director candidates by shareholders. The nomination method complies with Article 192-1 of the Company Act.
The Company may obtain directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 18-1

The Company establishes the Audit committee pursuant to Article 14-4 of the Securities and Exchange Act.

The provisions pertinent to supervisors in the Securities and Exchange Act, Company Act and other laws are applied to the Audit committee mutatis mutandis.

The Audit Committee shall be consisted by all independent directors. The number, term of offices and power of the Audit Committee members and the rules of procedures for the meetings, shall comply with the Audit Committee Charter that is established pursuant to the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

- Article 19 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

- Article 20 The directors form the Board Meeting and the Chairman is elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman of the Board Meeting shall internally preside the shareholders' meeting and the meeting of the board of directors and shall externally represent the Company. A vice chairman may be elected by the same means pursuant to the Articles of Incorporation. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause; where the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman.

- Article 21 When the number of vacancies in the Board Meeting of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies.

- Article 22 Board Meeting are convened every three month; unless otherwise specified in the Company Act, board meetings are convened by the chairman and directors are informed with notice specifying causes of convention; however, in case of emergency, the meeting may be convened anytime. The notice for convening board meetings may be given by means of correspondence, fax or e-mail.

- Article 23 Resolutions of the Board Meeting shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director is unable to attend due to any reason,

he/she may appoint another director to attend on his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only.

- Article 24 Minutes shall be taken of the proceedings of the meeting of the Board Meeting, shall be affixed with the signature or seal of the chairman of the meeting, and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The meeting minutes shall record the key points of the process of agenda and the results, and retained in the Company with the attendance book and proxies.
- Article 25 Deleted
- Article 26 Deleted
- Article 26-1 The Board Meeting is authorized to decide the remunerations to the directors based on the common level among peers.

Chapter V. Managerial Officer and Staff

- Article 27 A company may have one or more managerial officers; the appointment, discharge, and remunerations shall comply with Article 29 of the Company Act
- Article 28 Deleted
- Article 29 A managerial officer shall be empowered to manage the operations of the company and to sign relevant business documents for the company, subject to the scope of his/her duties and power as specified in the Articles of Incorporation or his/her employment contract.

Chapter VI Settlement

- Article 30 At the close of each fiscal year, the Board Meeting shall prepare the following statements and records and submit such 30 days prior to the meeting date of a regular shareholders' meeting, pursuant to the statutory procedure, for the ratification in the regular shareholders' meeting.
1. the business report
 2. the financial statement
 3. the surplus earning distribution or loss off-setting proposals
- Article 31 The Company shall distribute the profit sharing remuneration to employees at a rate of not less than 1% of the Company's profit for the year and the profit sharing remuneration to directors at a rate of not more than 5% of the Company's profit for the year. However, if there is any accumulated loss, shall be offset first.
- The employee remunerations may be made in cash or shares; employees of subsidiaries meeting certain specific requirements, entitled to receive the employee remunerations.
- The current year's profit in paragraph 1 refers to the current year's income before tax and before the distribution of the remuneration to employees and directors.
- By a resolution adopted by a majority vote at a Board Meeting attended by two-thirds of the total number of directors, the remunerations to employees and directors may be distributed and report to the shareholders' meeting.
- Article 31-1 If there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying tax and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital and the remainder shall be set aside or reversed as a special reserve in accordance with the law; if there is any remaining balance, it shall be set aside as distributable earnings for the current period. The accumulated undistributed earnings for the current period, together with the accumulated undistributed earnings of the previous year, is

the accumulated distributable earnings. The Board Meeting shall prepare an earnings distribution and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company's dividends policy is to distribute dividends to shareholders in an amount not less than 30% of the distributable earnings for the period in accordance with the Company's current and future development plans, the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders are taken into account. The distribution of dividends to shareholders may be made in cash or in stock, with the percentage of cash dividends being no less than 10% of the total dividends.

Chapter VII Supplementary Provisions

- Article 32 The organizational charter and details of the Company are determined by the Board Meeting separately.
- Article 33 The reinvestment amount of the Company complies with Article 13 of the Company Act, but is not subject to the limit of 40% of the paid-in capital.
- Article 34 For anything not mentioned in the Articles of Incorporation, the Company Act and other laws and regulations shall be complied with.
- Article 35 The Articles of Incorporation was established on May 7, 1960; the 1st amendment was made on July 20, 1960; the 2nd amendment was made on June 13, 1961; the 3rd amendment was made on October 1, 1961; the 4th amendment was made on January 12, 1964; the 5th amendment was made on March 19, 1967; the 6th amendment was made on July 12, 1969; the 7th amendment was made on December 22, 1972; the 8th amendment was made on June 29, 1981; the 9th amendment was made on April 23, 1982; the 10th amendment was made on May 14, 1984; the 11th amendment was made on October 9, 1985; the 12th amendment was made on June 25, 1986; the 13th amendment was made on September 29, 1988; the 14th amendment was made on August 11, 1989; the 15th amendment was made on July 25, 1990; the 16th amendment was made on May 18, 1991; the 17th amendment was made on August 16, 1991; the 18th amendment was made on February 10, 1992; the 19th amendment was made on September 2, 1992; the 20th amendment was made on December 14, 1993; the 21st amendment was made on February 14, 1994; the 22nd amendment was made on May 3, 1994; the 23rd amendment was made on June 28, 1996; the 24th amendment was made on June 23, 1997; the 25th amendment was made on December 24, 1997; the 26th amendment was made on April 18, 1998; the 27th amendment was made on May 21, 1999; the 28th amendment was made on May 12, 2000; the 29th amendment was made on April 27, 2001; the 30th amendment was made on May 3, 2002; the 31st amendment was made on May 23, 2003; the 32nd amendment was made on May 21, 2004; the 33rd amendment was made on June 9, 2006; the 34th amendment was made on June 19, 2009; the 35th amendment was made on June 18, 2010; the 36th amendment was made on June 10, 2011; the 37th amendment was made on June 28, 2012; the 38th amendment was made on March 31, 2016; the 39th amendment was made on June 26, 2017; the 40th amendment was made on June 28, 2018; the 41st amendment was made on June 24, 2019; the 42 st amendment was made on June 15, 2020; the 43 st amendment was made on June 20,2022.

Tainan Enterprises Co., Ltd.

Chairman: Yang Ching-Hon

Tainan Enterprises Co., Ltd.
Rules of Procedure for Shareholders' Meetings

Amended on June 20, 2022

- I. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- II. The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by the law, regulation or the Articles of Incorporation, shall be as provided in these Rules.
- III. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

The method of convening shareholders' meetings, if changed, shall be resolved by the Board of Directors, and not later than sending the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. However, in the case of the Company with paid-in capital reaching NT\$10 billion or more as of the last day of the most current fiscal year or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by the shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and professional shareholders' services agent designated thereby as well as being shall furnish to the shareholders for reference on the date of the shareholders' meeting in the following manner:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger or demerger of the corporation or any matter under related laws and regulations and the Company's Articles of Incorporation that shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters

may be raised by an extraordinary motion.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, the Board of Directors may still include the shareholder's proposal in the motion if its purpose is to urge the Company to promote the public interest or fulfill its social responsibility. In addition, any shareholder's proposal violating laws or the Company's Articles of Incorporation may be excluded from agenda by the Board of Directors.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting, the Board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

- IV. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or exercise voting rights by correspondence or electronically, a written notice of proxy cancellation should be submitted to the Company two business days before the meeting. If the cancellation notice is submitted after that time, the exercise of voting right by the proxy in the meeting shall prevail.

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

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

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

- VI. The Company shall specify the shareholders, proxy solicitors, proxy agents (hereinafter referred to as the "shareholders"), time and location for shareholder registration in the meeting notice as well as other matters requiring attention.

Admission of meeting participants in the preceding paragraph shall begin at least 30 minutes before the meeting commences. The reception area must be clearly labeled and stationed with competent personnel. The time during which shareholders' attendance registrations will be accepted at the video conference platform shall be at least 30 minutes prior to the time the meeting commences. The shareholders accepted are deemed to have attended the shareholders' meeting in person.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

1. The method for shareholders to attend the video conference and exercise of their rights.
2. The handling method when the video conference platform or participation in the manner of video conference fails due to *force majeure*, such as natural disasters or incidents and the following shall be at least included:
 - (I) Time and date for the postponement or re-convention when the aforesaid continuous failure that cannot be eliminated and thus a postponement or re-convention is required.
 - (II) The shareholders have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting.
 - (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 shareholders' 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 meeting agenda of that shareholders' meeting.
 - (IV) Actions to be taken if the outcome of all proposals have been announced and extempore motion has not been carried out.
3. Where the Company convenes the video shareholders' meetings, the proper alternatives provided for the shareholders having difficulties attending in the manner of a video conference shall be specified.

VII. If a shareholders' meeting is convened by the Board Meeting, the meeting shall be chaired by the chairman.

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

It is advisable that the majority of the board members attend the shareholders' meetings convened by the Board Meeting.

When the Board Meeting is convened by a person with right of convening, the person serves as the chair; if two or more people have right of convening, elect one from among them to serve as the chair.

The Company may appoint its attorneys, certified public accountants or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

- VIII. The company shall make audio or video recordings of the entire shareholder meeting process and keep them for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

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

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

- IX. Attendance at shareholders' meetings 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, shares registered at the video conference platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of 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. Where the Company convenes the video shareholders' meetings, the Company shall announce the meeting adjournment at the video conference platform.

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. Where the Company convenes the video shareholders' meetings and shareholders intend to attend in the manner of video conference shall register again with the Company per Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number

of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

- X. If a shareholders' meeting is convened by the Board Meeting, the meeting agenda shall be set by the Board Meeting. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board Meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

- XI. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violations.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

shareholders' meetings, the shareholders attending in the manner of video conference may inquire with text at the video conference platform of the meeting since the chair announces the meeting commencement until the adjournment. No more than two inquiries shall be raised for each proposal and the maximum length is 200 words. Paragraphs 1 to 3 are not applicable.

Where the inquiries in the preceding paragraph not violating the requirements or within the scope of agenda, it is advisable to disclose the inquiries at the video conference platform of the meeting for public knowledge.

- XII. Voting at shareholders' meetings shall be calculated based on numbers of shares. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not

be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholders' services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

- XIII. 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.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence; 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.

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.

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 or in the manner of video conference, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 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. If a shareholder intends to exercise his/her voting rights by correspondence or electronically but appoints a proxy to attend the meeting by providing the proxy form, the votes cast at the meeting by the proxy shall prevail.

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. During the voting process, the chair or the designated personnel announce the total number of the eligible voting rights of the attending shareholders case by case and then carry out the voting. On the same day of the meeting, the number of agree, disagree and abstain are entered into the Market Observation Post System.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting,

including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and a record made of the vote.

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

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

Where the Company convenes the video-assisted shareholders' meetings, the shareholders who already have registered to attend the meeting under Article 6 in the manner of video conference pursuant to the regulations, but then intend to attend the off-line shareholders' meeting in person, shall withdraw the registration in the same manner of registration 2 days prior to the shareholders' meeting date; those who miss the deadline may only attend the shareholders' meeting in the manner of a video conference.

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

- XIV. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected and the names of directors and supervisors not elected and number of votes they received.

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

- XV. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day and place of the meeting, the chair's full name, the methods by which resolutions were adopted and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of the Company.

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

other *force majeure* and the handling status shall be specified.

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

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

Where the Company convenes the video shareholders' meetings, the total shares held by the shareholders attending the meeting shall be disclosed at the video conference platform. If the total shares and voting rights of the attending shareholders are counted during the meeting, the same applies.

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

XVII. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

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

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

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

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

XIX. Where the shareholders' meetings are convened in the manner of video conference, the Company shall disclose the voting results of each proposal and election results at the video conference platform for the shareholders' meeting and retain the disclosure at least 15 minutes after the chair declares adjournment.

XX. When the Company convenes the video shareholders' meetings, the chair and the record-keeper shall be at the same location within Taiwan. The chair shall announce the address of this location.

XXI. Where the shareholders' meeting is convened in the manner of video conference, the Company may provide the shareholders with a simple connection test and the related services before and during the meeting in real-

time, to help to handle technical problems of communications.

Where the shareholders' meeting is convened in the manner of video conference, the chair, when declaring the meeting commencement, shall also declare the events not requiring postponement or re-convention specified in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies; before the chair declares the adjournment, in the event where the video conference platform or the participation in the video conference fails for 30 minutes or more due to nature disasters, incidents or other force majeure, the date of the shareholders' meeting postponed to or re-convened shall be within 5 days and Article 182 of the Company Act shall not apply.

Where the meeting is to be postponed or re-convened as specified in the preceding paragraph, the shareholders have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting.

For the meeting is to be postponed or re-convened as specified in Paragraph 2, the shareholders who registered to attend the original meeting via the video conference, and have completed the acceptance, but not attend the postponed or re-convened meeting, their attending shares at the original meeting, the exercised voting rights and election rights, shall be counted into the total shares, voting rights and election rights of the attending shareholders in the postponed or re-convened meeting.

The postponement or re-convention of shareholders' meetings conducted per Paragraph 2 needs not again discuss and resolve the proposal that have completed voting and vote calculation, with the announcement of voting results, or the list of elected directors and supervisors.

Where the Company convenes the video-assisted shareholders' meetings and when the video meeting is discontinued as specified in Paragraph 2 and the total attending shares still meet the statutory quorum for shareholders' meeting commencement, the postponement or re-convention of the meeting per Paragraph 2 is not required.

Under the circumstances to continue the meeting as specified in the preceding paragraph, the shares held by the shares attending the meeting via video conference shall be included in the total shares of the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting.

Where the Company postpones or re-convenes any shareholders' meeting as specified in Paragraph 2, the pre-requisite operations shall be conducted based on the original shareholders' meeting date, and pursuant to Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

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

XXII. When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

XXIII. The Rules are implemented upon the approval of the shareholders' meetings; the same applies to the amendments.

Shareholdings of Directors

1. As of the book closure date for the AGM, the issued shares are 146,153,534 shares and the Paid-in capital is NT\$1,461,535,340.
2. Pursuant to Article 26 of the Securities and Exchange Act, and the provisions of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum shares held by all the directors are 8,769,212 shares.
3. As of the book closure date for the AGM, March 26, 2024, the number of shares recorded in the shareholders' roster are as follows:

Title	Name	Number of shares recorded in the shareholders' roster at the book closure date.	Shareholdings %
Chairman of the Board	Yang Ching-Hon	0	0%
Director	Liang Dao Investment Co., Ltd.	6,159,821	4.21%
Director	Tian Mei Investment Co., Ltd.	3,805,200	2.60%
Director	Ri Fu Investment Co., Ltd.	3,943,401	2.70%
Director	Jing Da Development Co., Ltd.	217,263	0.15%
Director	Xin Wang Ai Investment Co., Ltd.	6,501,331	4.45%
Director	CHC International Investment Co., Ltd.	9,522,000	6.52%
Director	Tai Yang Investment Co., Ltd.	1,188,000	0.81%
Independent Director	Lee Li-Ying	0	0%
Independent Director	Sher Jih-Hsin	0	0%
Independent Director	Tuanmu Cheng	0	0%
Total shares held by all Directors		31,337,016	21.44%