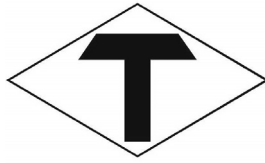


Stock Code : 8289



TAITIEN ELECTRONICS CO., LTD.

Handbook for the 2023 Annual Meeting of Shareholders

Meeting Time : 06/16/2023 09:00 a.m.

Place : No5, Shutan Street, Shulin Dist., New Taipei City, TAIWAN R.O.C

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TAITIEN ELECTRONICS CO., LTD.

Procedure for the 2023 Annual Meeting of Shareholders

- I. Call the Meeting to Order
- II. Chairperson Takes Chair
- III. Chairperson Remarks
- IV. Report Items
- V. Ratification
- VI. Election
- VII. Other Proposals
- VIII. Questions and Proposals
- IX. Adjournment

TAITIEN ELECTRONICS CO., LTD.
Year 2023
Agenda of Annual Meeting of Shareholders

- I. Form of Shareholders' Meeting: Physical
- II. Meeting Time : 06/16/2023 09:00 a.m.
- III. Place : No 5, Shutan Street, Shulin Dist., New Taipei City, TAIWAN R.O.C.
- IV. Chairperson Remarks
- V. Report Items
 - Proposal I 2022 Business Report
 - Proposal II Audit Committee's Review Report on 2022 Financial Statements
 - Proposal III Report on 2022 Employee and Director Remuneration Distribution
- VI. Ratification
 - Proposal I 2022 Financial Statements
 - Proposal II 2022 Earnings Distribution Plan
- VII. Election
 - Proposal I Re-election of the Company's Directors
- VIII. Other Proposals
 - Proposal I Termination of Non-Competition Restrictions Imposed on New Directors
- IX. Questions and Proposals
- X. Adjournment

【Report Items】

Proposal 1

Summary: The 2022 business report is submitted for review.

Explanation: Please refer to Attachment 1 to the Handbook.

Proposal 2

Summary: The Audit Committee's review report on 2022 financial statements is submitted for review.

Explanation: Please refer to Attachment 2 to the Handbook for the Audit Committee's review report.

Proposal 3

Summary: The report on 2022 employee and director remuneration distribution is submitted for review.

Explanation:

- I. The Company planned to provide the remuneration to director, NT\$6,946,289, and the remuneration to employees, NT\$32,416,015, all paid in cash.
- II. There is no difference between said amounts and the estimates recognized in 2022.

【Ratification】

Proposal 1 proposed by the Board of Directors

Summary: The 2022 financial statements are submitted for ratification.

Explanation:

- (I) The Board of Directors plans to prepare the Company's 2022 financial statements, including business report and consolidated financial statements (including parent company only financial statements). Please refer to Attachment 3 hereto.
- (II) The financial statements referred to in the preceding paragraph have been audited and certified by Chiang-Shiun Chen, CPA and Sheng-Tai Liang, CPA of Deloitte Taiwan.

Resolution:

Proposal 2 proposed by the Board of Directors

Summary: The 2022 earnings distribution plan is submitted for ratification.

Explanation: The 2022 earnings distribution plan is set forth as following:

TAITIEN Electronics Co., Ltd.
2022 Earnings Distribution Plan

Unit: NT\$

Item	Amount
Beginning undistributed earnings	122,840,893
Less: Remeasurements of defined benefit plan recognized into retained earnings	(1,050,715)
Undistributed earnings upon adjustment	121,790,178
Add: Current net profit after tax	358,855,000
Less: Provision of 10% legal reserve	(35,780,429)
Less: Provision of special reserve	0
Add: Reversal of special reserve provided in accordance with laws	15,104,412
Current distributable earnings	<u>459,969,161</u>
Earnings distribution items:	
Stock dividends to shareholders	0
Cash dividends to shareholders	239,168,178
Ending undistributed earnings	<u>220,800,983</u>

Remark: 1. It is proposed to distribute the cash dividends to shareholders at NT\$3.5 per share. The amount of cash dividend shall be truncated to the nearest dollar. Fractional amounts are summed up and stated into the Company's other revenue. In the event that the payout ratio should be corrected due to the changes in capital resulting in changes in the number of actual outstanding shares, it is proposed to authorize the Board of Directors to adjust it. Upon resolution of the dividends and bonus to shareholders by a shareholders' meeting, it is proposed to authorize the Board of Directors to set the record date for distribution of dividends, date of payment and other related matters.

2. Under the earnings distribution plan for the current year, the earnings for the most recent year shall be distributed as the first priority.

Chairman: Sheng-Tai Song General Manager: Sheng-Tai Song Accounting Manager: Li-Chu Yang

Resolution:

【 Election 】

Proposal 1 proposed by the Board of Directors

Summary: The proposal for re-election of the Company's directors is submitted for resolution.

Explanation:

- I. The term of office held by the current directors (directors of 8th Board of Directors) will be expired on June 18, 2023. In response to 2023 annual general meeting, it is proposed to re-elect the whole directors earlier.
- II. 9 members (including 4 independent directors) shall be elected as the members of 9th Board of Directors subject to the nomination system, who shall hold the term of office for three years, from June 16, 2023 to June 15, 2026.
- III. The Company establishes the Audit Committee to replace the supervisors. The Audit Committee consists of the whole independent directors.
- IV. The name list of candidates for directors of 9th Board of Directors has been approved per resolution of the Company's Board of Directors. The name list of director (independent director) candidates is specified as following.

Serial No.	Type of candidate	Name	Shares held (Note)	Education and work experience	Already served as an independent director for three consecutive terms of office?
1	Director	Sheng-Tai Song	9,800,618	<p><u>Highest education background:</u> Master's degree, Northwestern University Bachelor's degree, Department of Electrical Engineering, NTU</p> <p><u>Work experience:</u> President, TAITIEN ELECTRIC CO., LTD.</p> <p><u>Current post:</u> 1. Managing Director, TAITIEN ELECTRIC CO., LTD. 2. Director, Hui Zhu Investment Co., Ltd. 3. Chairman & President, Taitien Electronics (Nanjing) Co., Ltd. 4. Chairman & President, Taitien Electronics (Shenzhen) Co., Ltd. 5. Chairman & President, Zhengzhou Yuanchuang Eelectronic Technology Co., Ltd. 6. Director, Wanan Huajing Electronics Co., Ltd. 7. Chairman, Taitien Holding Company Limited 8. Chairman, Hardy Holding Corporation 9. Chairman, Indus Taitien Marketing Limited 11. Chairman, Colorado Crystal Corporation 12. Chairman, Taitien USA, Inc. 13. Chairman, Pletronics, Inc. 14. Representative of Juristic-Person Director, Yong Chuan Investment Co., Ltd. 15. Director, Yong Fu Investment Co., Ltd. 16. Representative of Juristic-Person Director, Cirocomm Technology Corp.</p>	Not applicable.

Serial No.	Type of candidate	Name	Shares held (Note)	Education and work experience	Already served as an independent director for three consecutive terms of office?
2	Director	Justine Song	0	<p>Highest education background: Bachelor of Economics, MIT EESOR Master, Stanford University MBA, European Institute of Business Administration (INSEAD)</p> <p>Work experience: 1. Manager, Logistics Department of TAITIEN Electronics Co., Ltd. 2. Junior Manager, Overseas Department of China Development Financial Holding Corporation 3. Investment Specialist, WI Harper Group</p> <p>Current post: 1. Vice President/Special Assistant of President, TAITIEN Electronics Co., Ltd. 2. Supervisor, Tajet Bointec Corporation Limited</p>	Not applicable.
3	Director	Tien-Hao Wang	0	<p>Highest education background: Master of Electrical Engineering, University of Southern California Bachelor of Electrical Engineering, National Tsing Hua University</p> <p>Work experience: 1. Assistant Vice President/Vice President, WK Innovation Ltd. 2. Special Assistant of President, First International Computer, Inc. 3. Vice President, Guang Peng Technology Co., Ltd. 4. Director-General, Lite-On Technology Corporation 5. Manager/Senior Manager, Technology Associates Corporation</p> <p>Current post: 1. Director/Senior Vice President, WK Innovation Ltd. 2. Chairman, Foxfortune Technology III Ventures Limited (Representative of Foxfortune Technology Ventures Limited) 3. Chairman, Foxfortune Technology II Ventures Limited (Representative of Foxfortune Technology Ventures Limited) 4. Chairman, Honggao Ventures Limited 5. Chairman, Hongzhi Ventures Limited 6. Representative of Juristic-Person Director, General Life Biotechnology Co., Ltd. 7. Independent Director, Fositek Corp. 8. Independent Director, JET Optoelectronics Co., Ltd. 9. Supervisor, Corex Materials Corporation 10. Director, FETek Technology Corp.</p>	Not applicable.

Serial No.	Type of candidate	Name	Shares held (Note)	Education and work experience	Already served as an independent director for three consecutive terms of office?
4	Director	Teh-Chang Yao	0	<p><u>Highest education background:</u> Master's degree, Institute of Finance, NTU</p> <p><u>Work experience:</u> Supervisor, TAITIEN Electronics Co., Ltd.</p> <p><u>Current post:</u></p> <ol style="list-style-type: none"> 1. Chairman, SinoStar Capital Inc. 2. Chairman, Yong Chuan Investment Co., Ltd. 3. Chairman, Cheng Kung Innovation Management Consulting Co., Ltd. 4. Chairman, Fenghuang Innovation Ventures Capital Co., Ltd. 5. Chairman, Fenghuang Innovation II Venture Capital Co., Ltd. 6. Chairman, Fenghuang Innovation III Venture Capital Co., Ltd. 7. Chairman, Fenghuang Innovation IV Ventures Capital Co., Ltd. 8. Chairman, Fenghuang Innovation V Venture Capital Co., Ltd. 9. Director, Youngtek Electronics Corp. 10. Independent Director, Jentech Precision Industrial Co., Ltd. 11. Independent Director, Fitipower Integrated Technology Inc. 12. Director, ASIX Electronics Corporation 13. Representative of Juristic-Person Director, ACTi Corporation 14. Representative of Juristic-Person Director, U.D. ELECTRONIC CORP. 15. Representative of Juristic-Person Director, Ledlink Optics, Inc. 16. Director, Gigastone Corporation 	Not applicable.

Serial No.	Type of candidate	Name	Shares held (Note)	Education and work experience	Already served as an independent director for three consecutive terms of office?
5	Director	Po-Jen Cheng	0	<p><u>Highest education background:</u> Ph.D. E.E. University of Maryland M.S.E.E. University of Idaho B.S.E.E. National Taiwan University</p> <p><u>Work experience:</u> 1. Senior Information Security Advisor, PUFsecurity Corporation 2. Full-time professor-level professional technician, Department of Computer Science and Information Engineering, Jinwen University of Science and Technology 3. Deputy Dean, College of Electrical, Information and Resources Engineering 4. Full-time Professor, Department of Information Management, Kao Yuan University 5. President/Technical Director, Jamco 5A international, USA 6. Director of Asia-Pacific Region, Entegrity Solutions 7. Chief Scientist, CygnaCom 8. Project Manager and Senior Research Fellow, NUSISS 9. Information Security Department Head and Chief Engineer, The MITRE Corp.</p> <p><u>Current post:</u> 1. Adjunct Professor, Department of Computer Science, National Tsing Hua University 2. Adjunct professor-level technical expert, Department of Computer Science and information Engineering, National Taiwan University of Science and Technology 3. Adjunct Professor, Chengdu College of University of Electronic Science and Technology of China 4. Adjunct Professor, University of Shanghai for Science and Technology 5. IT and Cyber Security Technical Advisor</p>	Not applicable.

Serial No.	Type of candidate	Name	Shares held (Note)	Education and work experience	Already served as an independent director for three consecutive terms of office?
6	Independent Director	Hsiao-Ping Fan	15,000	<p>Highest education background: Master's degree, Institute of Accounting, NTU Bachelor's degree, Accounting Group of the Department of Business Administration, NTU</p> <p>Work experience: CPA, Deloitte Taiwan</p> <p>Current post: 1. CPA, TOP NEW & Co., CPAs 2. Advisor, Taiwan Economic Journal Co., Ltd. 3. Supervisor, Taiwan Association of Certified Valuers and Analysts (TACVA)</p>	No
7	Independent Director	Yu-Tun Wu	0	<p>Highest education background: Bachelor's degree, Department of Electronic and Computer Engineering, National Taiwan University of Science and Technology</p> <p>Work experience: 1. Executive Vice President/President, ALLTEK Technology Corp. 2. Senior Engineer, IBM 3. Research Assistant, National Chung-Shan Institute of Science & Technology</p> <p>Current post: 1. Representative of Juristic-Person Director, Pantek Technology Corp. 2. Representative of Juristic-Person Director, Yi Man Ying Trading (Shanghai) Co., Ltd. 3. Representative of Juristic-Person Director, ALLTEK Technology Corp. 4. Independent Director, ACTi Corporation 5. Director/Vice Chairman, ALLTEK Technology Corp. 6. Representative of Juristic-Person Director, YUBAN & COMPANY</p>	No

Serial No.	Type of candidate	Name	Shares held (Note)	Education and work experience	Already served as an independent director for three consecutive terms of office?
8	Independent Director	Tung-Te Li	6,200	<p>Highest education background: Master's degree, Institute of Management of Technology, National Yang Ming Chiao Tung University Bachelor's degree, Department of Electrophysics, National Yang Ming Chiao Tung University</p> <p>Work experience: 1. Director, TAITIEN Electronics Co., Ltd. 2. Vice President of R&D Department and Marketing Department, President of the USA Region and COO, TAITIEN Electronics Co., Ltd.</p> <p>Current post: No</p>	No
9	Independent Director	Wan-Yuan Lin	0	<p>Highest education background: In-Service Master Program, International Business Management Group, NTU Bachelor's degree, Department of Accounting, National Cheng Kung University</p> <p>Work experience: CFO/Vice President, Apacer Technology Inc.</p> <p>Current post: Responsible Person, Driving Force Advising</p>	No

Note: Number of shares held by the date of book closure of the annual general meeting on April 18, 2023.

Election result:

【Other Proposals】

Proposal 1 proposed by the Board of Directors

Summary: The proposal for termination of non-competition restrictions imposed on new directors is submitted for resolution.

Explanation:

- I. Pursuant to Article 209 of the Company Act, “a director shall explain the important aspects of any activities of the director or others that fall within the scope of the Company’s business at a shareholders’ meeting and obtain permission from the shareholders.”
- II. If any of the Company's new directors does anything for himself or on behalf of another person that falls within the scope of, or is similar to the Company’s business, or serve as a director or manager therefor concurrently, in response to the actual business needs and on the premise that it causes no harm to the interests of the Company, it is proposed to terminate the non-competition restrictions imposed on the new director. Concerning the new directors’ concurrent positions in other companies, please refer to the following table for details.

Job Title	Name	Title and Job Descriptions of Concurrent Position in Another Company
Director	Sheng-Tai Song	<ol style="list-style-type: none"> 1. Managing Director, TAITIEN ELECTRIC CO., LTD. 2. Chairman & President, Taitien Electronics (Nanjing) Co., Ltd. 3. Chairman & President, Taitien Electronics (Shenzhen) Co., Ltd. 4. Chairman & President, Zhengzhou Yuanchuang Electronic Technology Co., Ltd. 5. Director, Wanan Huajing Electronics Co., Ltd. 7. Chairman, Taitien Holding Company Limited 8. Chairman, Hardy Holding Corporation 9. Chairman, Indus Taitien Marketing Limited 11. Chairman, Colorado Crystal Corporation 12. Chairman, Taitien USA, Inc. 11. Chairman, Pletronics, Inc. 12. Representative of Juristic-Person Director, Cirocomm Technology Corp.
Director	Tien-Hao Wang	<ol style="list-style-type: none"> 1. Representative of Juristic-Person Director, General Life Biotechnology Co., Ltd. 2. Independent Director, Fositek Corp. 3. Independent Director, JET Optoelectronics Co., Ltd. 4. Director, FETek Technology Corp.
Director	Teh-Chang Yao	<ol style="list-style-type: none"> 1. Director, Youngtek Electronics Corp. 2. Independent Director, Jentech Precision Industrial Co., Ltd. 3. Independent Director, Fitipower Integrated Technology Inc. 4. Director, ASIX Electronics Corporation 5. Representative of Juristic-Person Director, ACTi Corporation 6. Representative of Juristic-Person Director, U.D. ELECTRONIC CORP. 7. Representative of Juristic-Person Director, Ledlink Optics, Inc. 8. Director, Gigastone Corporation
Independent Director	Yu-Tun Wu	<ol style="list-style-type: none"> 1. Representative of Juristic-Person Director, Pantek Technology Corp. 2. Representative of Juristic-Person Director, Yi Man Ying Trading (Shanghai) Co., Ltd. 3. Representative of Juristic-Person Director, ALLTEK Technology Corp. 4. Independent Director, ACTi Corporation 5. Director/Vice Chairman, ALLTEK Technology Corp. 6. Representative of Juristic-Person Director, YUBAN & COMPANY

Resolution:

【 Extempore Motions 】

【 Adjourned 】

Business Report

Given the continuous impacts posed by the changes in circumstances in the previous year, the intensive development strategy and product momentum layout adopted by the Company's management team worked out to make the Company's operating revenue and earnings both hit the record in 2022. Looking forward to 2023, following the end of the epidemic, the changes in the business ecology appear to be diversified. Though the information and communication generations continue improving, people's livelihood consumption is still falling in a low cycle, and the economic and trade barriers tend to expand, thus making the horizontal competition more apparent. In face of the series of challenges, the Company will keep its focus and intensive development strategy and respond to any changes rapidly, continue to expand the development of high-end and new products, and improve its operational control and management abilities, in order to pursue stable development.

The 2022 business report:

1. Business plan implementation result:

The Company's consolidated net operating revenue was NT\$2,369,419 thousand, consolidated gross profit NT\$813,654 thousand, consolidated net operating profit NT\$422,570 thousand, consolidated profit before tax NT\$490,036 thousand, consolidated profit after tax NT\$358,855 thousand, and earnings per share (EPS) NT\$5.25, in 2022.

1. Budget implementation status: The Company didn't disclose any financial forecast in 2022.

2. Analysis on consolidated financial operating and expenditure, and profitability:

Item	2021	2022
Liability to asset ratio (%)	37.05	32.15
Current ratio (%)	259.44	314.76
Quick ratio (%)	188.04	215.16
ROA (%)	9.87	14.53
ROE (%)	15.22	22.03
Net profit margin (%)	9.40	15.15
EPS (NT\$)	3.12	5.25

3. R&D:

The Company completed the following in 2022:

- (1) New Double Rotated Crystal
- (2) 1uA, 32.768KHz Crystal Oscillator

Chairman: Sheng-Tai Song

General Manager: Sheng-Tai Song

Accounting Manager: Li-Chu Yang

Audit Committee's Review Report

The Board of Directors of the Company has prepared the 2022 business report, financial statements and earnings distribution plan. Among them, the financial statements have been audited and certified by Chiang-Shiun Chen, CPA and Sheng-Tai Liang, CPA of Deloitte Taiwan, who also issued the audit report accordingly. Said business report, financial statements and earnings distribution plan have been audited by the Audit Committee and found to be in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2023 Annual General Meeting of TAITIEN Electronics Co., Ltd.

TAITIEN Electronics Co., Ltd.

Convener of Audit Committee: Hsiao-Ping Fan

March 23, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taitien Electronics Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taitien Electronics Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

Occurrence of Sales Revenue from Major Customers

The Group's sales revenue is concentrated in customers with significant sales amounts (hereinafter referred to as major customers), and some major customers have sales growth rates that are higher than the group average this year. Considering that revenue recognition inherently carries a high risk of fraud and that management may be under pressure to achieve expected financial goals, we deemed the occurrence of sales revenue from major customers that meet the above indicators as a key audit matter. For the relevant explanation of accounting policies and notes to the financial statements, refer to Notes 4 and 24.

Our audit procedures for the key audit matters were as follows:

1. We understood the design and implementation of the internal controls related to the recognition of sales revenue, and designed appropriate audit procedures on internal controls related to the major customers in order to evaluate and test the effectiveness of the design and implementation of the Group's internal controls.
2. We performed substantive tests on the revenue transactions of the major customers for the current year. The procedures include selecting appropriate samples verifying external transaction documents and checking subsequent collection to confirm the occurrence of sales transactions.
3. We compared the changes in revenue, gross margin rate, turnover rate of accounts receivable and credit conditions of above-mentioned major customers and evaluated the reasonableness of the changes.

Other Matter

We have also audited the parent company only financial statements of Taitien Electronics Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiang Hsun Chen and Sheng Tai Liang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 631,942	25	\$ 645,433	27
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	29,887	1	30,311	1
Financial assets at amortized cost - current (Notes 4 and 9)	147,170	6	52,098	2
Notes receivable (Notes 4, 11 and 24)	6,826	-	11,203	1
Trade receivables (Notes 4, 11 and 24)	531,029	21	632,176	26
Other receivables (Notes 4 and 11)	7,751	-	9,222	-
Current tax assets (Notes 4 and 26)	299	-	294	-
Inventories (Notes 4 and 12)	602,172	23	497,675	21
Prepayments (Note 19)	25,463	1	26,750	1
Other current assets	974	-	450	-
Total current assets	<u>1,983,513</u>	<u>77</u>	<u>1,905,612</u>	<u>79</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	15,432	1	21,303	1
Financial assets at amortized cost - non-current (Notes 4, 9 and 33)	200	-	200	-
Property, plant and equipment (Notes 4, 14, 32 and 34)	425,923	17	370,912	15
Right-of-use assets (Notes 4, 15 and 32)	55,958	2	39,170	2
Investment properties (Notes 4 and 16)	725	-	1,076	-
Goodwill (Notes 4 and 17)	-	-	-	-
Intangible assets (Notes 4 and 18)	3,390	-	4,183	-
Deferred tax assets (Notes 4 and 26)	46,563	2	44,985	2
Other non-current assets (Note 19)	38,229	1	17,882	1
Total non-current assets	<u>586,420</u>	<u>23</u>	<u>499,711</u>	<u>21</u>
TOTAL	<u>\$ 2,569,933</u>	<u>100</u>	<u>\$ 2,405,323</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 20)	\$ 184,000	7	\$ 235,360	10
Contract liabilities (Note 24)	14,616	-	11,020	-
Trade payables	172,562	7	301,742	13
Other payables (Note 21)	159,128	6	140,212	6
Current tax liabilities (Notes 4 and 26)	81,113	3	32,252	1
Lease liabilities - current (Notes 4, 15 and 32)	16,693	1	12,533	1
Other current liabilities (Note 21)	2,063	-	1,403	-
Total current liabilities	<u>630,175</u>	<u>24</u>	<u>734,522</u>	<u>31</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 26)	100,018	4	69,519	3
Lease liabilities - non-current (Notes 4, 15 and 32)	34,713	1	21,724	1
Deferred revenue - non-current (Notes 21 and 28)	6,480	-	7,261	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	38,581	2	41,556	2
Other non-current liabilities (Note 21)	16,310	1	16,493	-
Total non-current liabilities	<u>196,102</u>	<u>8</u>	<u>156,553</u>	<u>6</u>
Total liabilities	<u>826,277</u>	<u>32</u>	<u>891,075</u>	<u>37</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital				
Ordinary shares	<u>683,338</u>	<u>27</u>	<u>683,338</u>	<u>28</u>
Capital surplus	<u>408,346</u>	<u>16</u>	<u>408,346</u>	<u>17</u>
Retained earnings				
Legal reserve	156,224	6	132,101	6
Special reserve	96,067	4	95,295	4
Unappropriated earnings	480,644	18	291,235	12
Total retained earnings	<u>732,935</u>	<u>28</u>	<u>518,631</u>	<u>22</u>
Other equity	<u>(80,963)</u>	<u>(3)</u>	<u>(96,067)</u>	<u>(4)</u>
Total equity attributable to owners of the Company	<u>1,743,656</u>	<u>68</u>	<u>1,514,248</u>	<u>63</u>
Total equity	<u>1,743,656</u>	<u>68</u>	<u>1,514,248</u>	<u>63</u>
TOTAL	<u>\$ 2,569,933</u>	<u>100</u>	<u>\$ 2,405,323</u>	<u>100</u>

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 24)	\$ 2,369,419	100	\$ 2,268,680	100
OPERATING COSTS (Notes 12, 25 and 32)	<u>(1,555,765)</u>	<u>(66)</u>	<u>(1,617,114)</u>	<u>(71)</u>
GROSS PROFIT	<u>813,654</u>	<u>34</u>	<u>651,566</u>	<u>29</u>
OPERATING EXPENSES (Notes 25 and 32)				
Selling and marketing expenses	(123,108)	(5)	(102,871)	(5)
General and administrative expenses	(204,059)	(8)	(195,903)	(9)
Research and development expenses	(64,727)	(3)	(49,625)	(2)
Expected credit gain (loss) (Note 11)	<u>810</u>	<u>-</u>	<u>(459)</u>	<u>-</u>
Total operating expenses	<u>(391,084)</u>	<u>(16)</u>	<u>(348,858)</u>	<u>(16)</u>
PROFIT FROM OPERATIONS	<u>422,570</u>	<u>18</u>	<u>302,708</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 25 and 32)				
Interest income	3,755	-	2,644	-
Other income	12,672	1	14,724	1
Other gains and losses	54,259	2	(14,366)	(1)
Finance costs	<u>(3,220)</u>	<u>-</u>	<u>(3,332)</u>	<u>-</u>
Total non-operating income and expenses	<u>67,466</u>	<u>3</u>	<u>(330)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	490,036	21	302,378	13
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(131,181)</u>	<u>(6)</u>	<u>(89,170)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>358,855</u>	<u>15</u>	<u>213,208</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 22)	(1,313)	-	3,659	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 23)	(4,923)	-	24,812	1
Income tax related to items that will not be reclassified subsequently to profit or loss (Notes 4 and 26)	<u>740</u>	<u>-</u>	<u>(566)</u>	<u>-</u>
	<u>(5,496)</u>	<u>-</u>	<u>27,905</u>	<u>1</u>

(Continued)

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 23)	\$ 25,920	1	\$ (6,849)	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income (Notes 4 and 23)	(1,482)	-	8	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 26)	(4,888)	-	1,369	-
	<u>19,550</u>	<u>1</u>	<u>(5,472)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>14,054</u>	<u>1</u>	<u>22,433</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 372,909</u>	<u>16</u>	<u>\$ 235,641</u>	<u>10</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 5.25</u>		<u>\$ 3.12</u>	
Diluted	<u>\$ 5.17</u>		<u>\$ 3.10</u>	

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

(Concluded)

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company										Total Equity
	Shares	Share Capital	Capital Surplus	Legal Reserve	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity	
					Special Reserve	Special Reserve					
BALANCE, JANUARY 1, 2021	68,334	\$ 683,338	\$ 408,346	\$ 131,745	\$ 95,295	\$ 58,555	\$ (84,919)	\$ (5,553)	\$ 1,286,807		
Appropriation of 2020 earnings (Note 23)	-	-	-	356	-	(356)	-	-	-		
Legal reserve	-	-	-	-	-	(8,200)	-	-	(8,200)		
Cash dividends	-	-	-	-	-	-	-	-	-		
Net profit for the year ended December 31, 2021	-	-	-	-	-	213,208	-	-	213,208		
Other comprehensive income for the year ended December 31, 2021 (Note 23)	-	-	-	-	-	2,928	(5,478)	24,983	22,433		
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	216,136	(5,478)	24,983	235,641		
Disposal of the investment in equity instruments at fair value through other comprehensive income (Note 23)	-	-	-	-	-	25,100	-	(25,100)	-		
BALANCE, DECEMBER 31, 2021	68,334	683,338	408,346	132,101	95,295	291,235	(90,397)	(5,670)	1,514,248		
Appropriation of 2021 earnings (Note 23)	-	-	-	24,123	-	(24,123)	-	-	-		
Legal reserve	-	-	-	-	772	(772)	-	-	-		
Special reserve	-	-	-	-	-	(143,501)	-	-	(143,501)		
Cash dividends	-	-	-	-	-	-	-	-	-		
Net profit for the year ended December 31, 2022	-	-	-	-	-	358,855	-	-	358,855		
Other comprehensive income for the year ended December 31, 2022 (Note 23)	-	-	-	-	-	(1,050)	20,736	(5,632)	14,054		
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	357,805	20,736	(5,632)	372,909		
BALANCE, DECEMBER 31, 2022	68,334	683,338	408,346	156,224	96,067	480,644	(69,661)	(11,302)	1,743,656		

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 490,036	\$ 302,378
Adjustments for:		
Depreciation expense	96,070	100,003
Amortization expense	1,166	733
Expected credit (gain) loss	(810)	459
Net gain on fair value changes of financial assets at fair value through profit or loss	(1,870)	(6,043)
Finance costs	3,220	3,332
Interest income	(3,755)	(2,644)
Dividend income	(2,919)	(359)
Loss on disposal of property, plant and equipment	13	2,609
Gain on disposal of right-of-use assets	-	(16)
Write-down of inventories	2,043	-
Impairment loss recognized on non-financial assets	-	9,033
Net (gain) loss on foreign currency exchange	(27,592)	16,820
Realized gain on deferred revenue	(900)	(873)
Changes in operating assets and liabilities:		
Notes receivable	4,377	(8,970)
Trade receivables	112,772	(229,192)
Other receivables	1,763	(3,521)
Inventories	(99,060)	(98,393)
Prepayments	(5,217)	(17,512)
Other current assets	(521)	(165)
Contract liabilities	3,426	4,956
Trade payables	(136,116)	140,190
Trade payables to related parties	-	(1,868)
Other payables	18,822	46,952
Deferred revenue	-	928
Other current liabilities	660	(11)
Net defined benefit liabilities	(4,288)	(3,567)
Cash generated from operations	451,320	255,259
Interest received	3,476	2,632
Interest paid	(3,280)	(3,459)
Income tax paid	(56,598)	(25,077)
Net cash generated from operating activities	<u>394,918</u>	<u>229,355</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(2,764)	(4,118)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	31,260
Purchase of financial assets at amortized cost	(96,364)	-

(Continued)

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Purchase of financial assets at fair value through profit or loss	\$ -	\$ (45,603)
Proceeds from sale of financial assets at fair value through profit or loss	5,058	37,018
Payments for property, plant and equipment	(117,210)	(47,559)
Proceeds from disposal of property, plant and equipment	315	2,985
Increase in refundable deposits	(154)	(275)
Payments for intangible assets	(321)	(927)
Increase in prepayments for equipment	(27,426)	(15,402)
Dividends received	<u>2,919</u>	<u>359</u>
Net cash used in investing activities	<u>(235,947)</u>	<u>(42,262)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	39,000	91,289
Repayments of short-term borrowings	(91,550)	(105,663)
Proceeds of guarantee deposits received	-	5,010
Refunds of guarantee deposits received	(443)	-
Repayments of the principal portion of lease liabilities	(16,674)	(16,236)
Dividend paid to owners of the company	<u>(143,501)</u>	<u>(8,200)</u>
Net cash used in financing activities	<u>(213,168)</u>	<u>(33,800)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>40,706</u>	<u>(18,790)</u>
NET (DECREASE)INCREASE IN CASH AND CASH EQUIVALENTS	(13,491)	134,503
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>645,433</u>	<u>510,930</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 631,942</u>	<u>\$ 645,433</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taitien Electronics Co., Ltd.

Opinion

We have audited the accompanying financial statements of Taitien Electronics Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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. 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's financial statements for the year ended December 31, 2022 is described as follows:

Occurrence of Sales Revenue from Major Customers

The Company's sales revenue is concentrated in customers with significant sales amounts (hereinafter referred to as major customers), and some major customers have sales growth rates that are higher than the group average this year. Considering that revenue recognition inherently carries a high risk of fraud and that management may be under pressure to achieve expected financial goals, we deemed the occurrence of sales revenue from major customers that meet the above indicators as a key audit matter. For the relevant explanation of accounting policies and notes to the financial statements, refer to Notes 4 and 22.

Our audit procedures for the key audit matters were as follows:

1. We understood the design and implementation of the internal controls related to the recognition of sales revenue, and designed appropriate audit procedures on internal controls related to the major sales customers in order to evaluate and test the effectiveness of the design and implementation of the Company's internal controls.
2. We performed substantive tests on the revenue transactions of the major sales customers for the current year. The procedures include selecting appropriate samples verifying external transaction documents and checking subsequent collection to confirm the occurrence of sales transactions.
3. We compared the changes in revenue, gross margin rate, turnover rate of accounts receivable and credit conditions of above-mentioned major customers and evaluated the reasonableness of the changes.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chiang Hsun Chen and Sheng Tai Liang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

TAITIEN ELECTRONICS CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 118,217	5	\$ 159,544	8
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 28)	29,887	1	30,311	1
Financial assets at amortized cost - current (Notes 4, 9 and 10)	147,170	6	52,098	3
Notes receivable (Notes 4, 11 and 22)	1,352	-	516	-
Trade receivables (Notes 4, 11 and 22)	181,799	8	262,651	13
Trade receivables from related parties (Notes 4, 22 and 29)	91,843	4	79,155	4
Other receivables (Notes 4 and 11)	7,692	-	8,351	-
Other receivables from related parties (Notes 4 and 29)	-	-	25	-
Current tax assets (Notes 4 and 24)	-	-	294	-
Inventories (Notes 4 and 12)	244,030	11	214,888	11
Prepayments (Note 17)	10,461	1	1,266	-
Other current assets (Note 17)	-	-	12	-
Total current assets	<u>832,451</u>	<u>36</u>	<u>809,111</u>	<u>40</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 28)	10,401	1	14,015	1
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 30)	200	-	200	-
Investments accounted for using the equity method (Notes 4 and 13)	1,322,746	58	1,080,270	53
Property, plant and equipment (Notes 4, 14 and 31)	69,286	3	80,834	4
Right-of-use assets (Notes 4, 15 and 29)	12,109	1	6,984	-
Other intangible assets (Notes 4 and 16)	792	-	1,035	-
Deferred tax assets (Notes 4 and 24)	28,733	1	30,358	2
Other non-current assets (Note 17)	9,906	-	3,515	-
Total non-current assets	<u>1,454,173</u>	<u>64</u>	<u>1,217,211</u>	<u>60</u>
TOTAL	<u>\$ 2,286,624</u>	<u>100</u>	<u>\$ 2,026,322</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 184,000	8	\$ 180,000	9
Contract liabilities (Note 22)	9,727	1	3,609	-
Trade payables	28,178	1	49,115	2
Trade payables to related parties (Note 29)	66,655	3	112,018	6
Other payables (Note 19)	91,581	4	70,648	4
Other payables to related parties (Note 29)	679	-	2,971	-
Current tax liabilities (Notes 4 and 24)	42,790	2	3,093	-
Lease liabilities - current (Notes 4, 15 and 29)	3,285	-	2,319	-
Other current liabilities (Note 19)	2,063	-	1,403	-
Total current liabilities	<u>428,958</u>	<u>19</u>	<u>425,176</u>	<u>21</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	66,443	3	40,549	2
Lease liabilities - non-current (Notes 4, 15 and 29)	8,986	-	4,793	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	38,581	2	41,556	2
Total non-current liabilities	<u>114,010</u>	<u>5</u>	<u>86,898</u>	<u>4</u>
Total liabilities	<u>542,968</u>	<u>24</u>	<u>512,074</u>	<u>25</u>
EQUITY (Note 21)				
Share capital				
Ordinary shares	<u>683,338</u>	<u>30</u>	<u>683,338</u>	<u>34</u>
Capital surplus	<u>408,346</u>	<u>18</u>	<u>408,346</u>	<u>20</u>
Retained earnings				
Legal reserve	156,224	7	132,101	7
Special reserve	96,067	4	95,295	5
Unappropriated earnings	<u>480,644</u>	<u>21</u>	<u>291,235</u>	<u>14</u>
Total retained earnings	<u>732,935</u>	<u>32</u>	<u>518,631</u>	<u>26</u>
Other equity	<u>(80,963)</u>	<u>(4)</u>	<u>(96,067)</u>	<u>(5)</u>
Total equity	<u>1,743,656</u>	<u>76</u>	<u>1,514,248</u>	<u>75</u>
TOTAL	<u>\$ 2,286,624</u>	<u>100</u>	<u>\$ 2,026,322</u>	<u>100</u>

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

TAITIEN ELECTRONICS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
SALES REVENUES (Notes 4, 22 and 29)	\$ 1,202,369	100	\$ 1,117,624	100
COST OF GOODS SOLD (Notes 12, 23 and 29)	<u>(853,489)</u>	<u>(71)</u>	<u>(854,623)</u>	<u>(77)</u>
GROSS PROFIT	348,880	29	263,001	23
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(7,304)	-	(3,147)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	<u>3,147</u>	<u>-</u>	<u>477</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>344,723</u>	<u>29</u>	<u>260,331</u>	<u>23</u>
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	(66,221)	(6)	(60,518)	(6)
General and administrative expenses	(81,209)	(7)	(70,165)	(6)
Research and development expenses	(39,293)	(3)	(34,189)	(3)
Expected credit gain	<u>614</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>(186,109)</u>	<u>(16)</u>	<u>(164,872)</u>	<u>(15)</u>
PROFIT FROM OPERATIONS	<u>158,614</u>	<u>13</u>	<u>95,459</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 23)	3,156	-	2,159	-
Other income (Notes 4, 23 and 29)	4,842	-	1,238	-
Other gains and losses (Notes 23 and 29)	36,466	3	(4,548)	-
Finance costs (Notes 23 and 29)	(2,452)	-	(1,946)	-
Share of profit or loss of subsidiaries, associates and joint ventures (Note 4)	<u>223,098</u>	<u>19</u>	<u>155,505</u>	<u>14</u>
Total non-operating income and expenses	<u>265,110</u>	<u>22</u>	<u>152,408</u>	<u>14</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	423,724	35	247,867	22
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(64,869)</u>	<u>(5)</u>	<u>(34,659)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>358,855</u>	<u>30</u>	<u>213,208</u>	<u>19</u>

(Continued)

TAITIEN ELECTRONICS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 20)	\$ (1,313)	-	\$ 3,659	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 21)	(2,538)	(1)	239	-
Share of the other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method (Notes 4 and 21)	(2,385)	-	24,573	2
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 24)	<u>740</u>	<u>-</u>	<u>(566)</u>	<u>-</u>
	<u>(5,496)</u>	<u>(1)</u>	<u>27,905</u>	<u>2</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 21)	25,920	2	(6,849)	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income (Notes 4 and 21)	(1,482)	-	8	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 21 and 24)	<u>(4,888)</u>	<u>-</u>	<u>1,369</u>	<u>-</u>
	<u>19,550</u>	<u>2</u>	<u>(5,472)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>14,054</u>	<u>1</u>	<u>22,433</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 372,909</u>	<u>31</u>	<u>\$ 235,641</u>	<u>21</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 5.25</u>		<u>\$ 3.12</u>	
Diluted	<u>\$ 5.17</u>		<u>\$ 3.10</u>	

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

(Concluded)

TAITIEN ELECTRONICS CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Shares	Share Capital	Capital Surplus	Legal Reserve	Retained Earnings		Other Equity			Total Equity
					Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE, JANUARY 1, 2021	68,334	\$ 683,338	\$ 408,346	\$ 131,745	\$ 95,295	\$ 58,555	\$ (84,919)	\$ (5,553)	\$ 1,286,807	
Appropriation of 2020 earnings (Note 21)	-	-	-	356	-	(356)	-	-	-	
Legal reserve	-	-	-	-	-	(8,200)	-	-	(8,200)	
Cash dividends	-	-	-	-	-	-	-	-	-	
Net profit for the year ended December 31, 2021	-	-	-	-	-	213,208	-	-	213,208	
Other comprehensive income for the year ended December 31, 2021 (Notes 21 and 24)	-	-	-	-	-	2,928	(5,478)	24,983	22,433	
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	216,136	(5,478)	24,983	235,641	
Change in equity of subsidiaries and associates accounted for using the equity method	-	-	-	-	-	25,100	-	(25,100)	-	
BALANCE, DECEMBER 31, 2021	68,334	\$ 683,338	\$ 408,346	\$ 132,101	\$ 95,295	\$ 291,235	\$ (90,397)	\$ (5,670)	\$ 1,514,248	
Appropriation of 2021 earnings (Note 21)	-	-	-	24,123	-	(24,123)	-	-	-	
Legal reserve	-	-	-	-	772	(772)	-	-	-	
Special reserve	-	-	-	-	-	(143,501)	-	-	(143,501)	
Cash dividends	-	-	-	-	-	-	-	-	-	
Net profit for the year ended December 31, 2022	-	-	-	-	-	358,855	-	-	358,855	
Other comprehensive income for the year ended December 31, 2022 (Notes 21 and 24)	-	-	-	-	-	(1,050)	20,736	(5,632)	14,054	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	357,805	20,736	(5,632)	372,909	
BALANCE, DECEMBER 31, 2022	68,334	\$ 683,338	\$ 408,346	\$ 156,224	\$ 96,067	\$ 480,644	\$ (69,661)	\$ (11,302)	\$ 1,743,656	

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

TAITIEN ELECTRONICS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 423,724	\$ 247,867
Adjustments for:		
Depreciation expenses	35,705	34,353
Amortization expenses	563	393
Expected credit gain	(614)	-
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	3,188	(1,300)
Finance costs	2,452	1,946
Interest income	(3,156)	(2,159)
Dividend income	(2,919)	(359)
Share of profit of subsidiaries, associates and joint ventures	(223,098)	(155,505)
Write-down of inventories	1,588	(648)
Unrealized gain on transactions with subsidiaries, associates and joint ventures	7,304	3,147
Realized gain on transactions with subsidiaries, associates and joint ventures	(3,147)	(477)
Net (gain) loss on foreign exchange	(7,291)	9,059
Changes in operating assets and liabilities:		
Notes receivable	(836)	72
Trade receivables	78,720	(111,871)
Trade receivables from related parties	(13,058)	(11,396)
Other receivables	933	(3,387)
Inventories	(30,730)	(87,496)
Prepayments	(9,195)	2,261
Other current assets	12	19
Contract liabilities	6,118	990
Trade payables	(21,436)	19,104
Trade payables to related parties	(43,958)	44,198
Other payables	22,731	33,224
Other payables to related parties	(2,283)	2,191
Other current liabilities	660	(11)
Net defined benefit liabilities	(4,288)	(3,567)
Cash generated from operations	217,689	20,648
Interest received	2,876	2,147
Interest paid	(2,452)	(1,946)
Income tax (paid) refunded	(1,507)	188
Net cash generated from operating activities	<u>216,606</u>	<u>21,037</u>

(Continued)

TAITIEN ELECTRONICS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (4,118)
Purchase of financial assets at amortized cost	(96,364)	-
Purchase of financial assets at fair value through profit or loss	(2,764)	(45,604)
Proceeds from sales of financial assets at fair value through profit or loss	-	32,276
Payments for property, plant and equipment	(19,599)	(28,369)
Proceeds from disposal of property, plant and equipment	-	-
Decrease in other receivables from related parties	25	8
Payments for intangible assets	(320)	(749)
Dividends received	2,919	359
Increase in prepayments for equipment	<u>(9,662)</u>	<u>(3,271)</u>
Net cash used in investing activities	<u>(125,765)</u>	<u>(49,468)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	39,000	35,000
Repayments of short-term borrowings	(35,000)	(35,000)
Repayment of the principal portion of lease liabilities	(3,067)	(2,289)
Cash dividends paid	<u>(143,501)</u>	<u>(8,200)</u>
Net cash used in financing activities	<u>(142,568)</u>	<u>(10,489)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>10,400</u>	<u>(6,573)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(41,327)	(45,493)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>159,544</u>	<u>205,037</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 118,217</u>	<u>\$ 159,544</u>

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

(Concluded)

TAITIEN Electronics Co., Ltd.

Chapter I General

- Article I This Company is established according to the limited company-related provisions provided by the Company Act and is named "TAITIEN Electronics Co., Ltd."
- Article II The businesses operated by the Company are as follows.
- I. CC01080 Electronics Components Manufacturing.
 - II. F119010 Wholesale of Electronic Materials.
 - III. F219010 Retail Sale of Electronic Materials.
 - IV. F401010 International Trade.
 - V. CE01010 Precision Instruments Manufacturing.
 - VI. CC01050 Manufacturing of Data Storage and Processing Equipment.
 - VII. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing (Programmable Controllers).
 - VIII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article III The Company may reinvest in other businesses for external guarantees according to business needs, and the total amount of reinvestment may exceed 40% of the Company's paid-in share capital.
- Article IV The head office of the company is located in New Taipei City. Branch organizations shall be established in other locations when appropriate, and their establishment or abolition shall be determined by the board of directors.

Chapter II Shares

- Article V The Company's registered capital is NT\$1.2 billion divided into 120 million shares, each share is valued at NT\$10, and the board of directors shall be authorized to issue the unissued shares in batches.
For the registered capital mentioned in the preceding paragraph, NT\$10 million shall be reserved for employee stock option certificate issuance for a total of one million shares at NT\$10 per share. They shall be issued in installments according to the board of directors' resolution.
- Article VI The Company's share certificates shall be in registered form and signed or sealed by the director representing the Company and shall be certified for issuance of the share certificates according to the laws.
- Article VII When the company issues new shares, the total number of shares issued may be consolidated to print the share certificates, or the shares issued may be exempted from printing certificates.
For new shares issued according to the provisions of the preceding paragraph, the custody of printed certificates or the registration of shares exempt from printed certificates shall be handled by a centralized securities depository enterprise. They may also be merged and exchanged for large-denomination securities at the request of the centralized securities depository institution.
- Article VIII The Company's stock affairs shall be handled according to the Company Act, the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority, and

other relevant laws and regulations.

Chapter III Shareholders' Meeting

- Article IX Transfer of share ownership shall be suspended during the sixty days prior to a general shareholders' meeting, during the thirty days prior to an extempore shareholders' meeting, and during the five days prior to the baseline date of any dividend, bonus, or rights distribution.
- Article X The Company's shareholders' meetings are divided into general and extempore types. General shareholders' meetings shall be convened every year and within six months after the end of each fiscal year, and each shareholder shall be notified thirty days in advance. An extempore meeting shall be convened when necessary according to the law, and the shareholders shall be notified fifteen days in advance.
- The meeting notice shall specify the date, venue, and agendas to be discussed during the meeting.
- Unless otherwise specified by the Company Act, the shareholders' meetings shall be convened by the board of directors.
- The Company's shareholders' meetings may be held via video conference or other methods announced by the central competent authority.
- Article XI The Company's shareholders shall have one voting right per share unless otherwise provided by the laws or regulations.
- Article XII If a shareholder cannot attend the Shareholder Meeting in person, a proxy can be appointed by Completing the Company's proxy form and specifying the scope of delegated authority. However, except for a trust enterprise or a stock agency approved by the securities competent authority, when two or more shareholders appoint one proxy at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. The excess voting rights shall not be included.
- Unless otherwise provided by the Company Act, the shareholders' proxy attendance method shall be handled according to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."
- Article XIII Shareholders' meetings shall be conducted according to the Company's Shareholders' Meeting Procedure Rules.
- Article XIV When the Company convenes a general shareholders' meeting, one of the channels for exercising voting rights is via electronic means. Shareholders who exercise voting rights electronically are deemed to have attended the general shareholders' meeting in person, and matters related to their exercise shall be handled according to the provisions provided by current laws and regulations.
- Unless otherwise specified in the Company Act, any resolution at a

shareholders' meeting shall be adopted by a majority of the shareholders present, who represent over half of the total number of the Company's outstanding shares, and shall be executed based on the majority of the voting rights from the shareholders present.

Chapter IV Board of Directors and Audit Committee

Article XV The Company shall establish seven to eleven directors. The shareholders shall adopt the candidate nomination system to elect the independent directors from the candidate list for 3-year terms and they may be re-elected.

The Company shall adopt the cumulative voting method for director elections. Each share shall have voting rights equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.

If the method must be revised, it shall be handled according to Article 172 of the Company Act and other relevant provisions. A revision comparison table shall be provided along with the grounds for convening.

The total number of the Company's registered shares held by its directors shall conform to the "Rules and Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" announced by the competent authority.

The Company may purchase liability insurance for directors who are legally liable for compensation within the scope of business they performed.

The Company shall establish an audit committee composed of no less than three independent directors. Among them, one shall be the convener, and at least one member shall possess expertise in accounting or finance. The responsibilities, organizational rules, exercise of powers, and other matters the audit committee must abide by shall be handled according to the relevant laws and regulations or company rules.

Article XV-I According to Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors among the Company's directors as mentioned above. The professional qualifications, shareholding, part-time job restrictions, nomination and election methods, and other

compliance matters for independent directors shall be handled according to the relevant regulations of the securities competent authority.

Article XVI A chairperson shall be elected during a board of directors meeting attended by two-thirds of the directors and by a majority vote from the directors present.

The chairperson shall chair the shareholders' meetings and the board of directors meetings internally and represent the Company externally. If the chairperson cannot perform the duties due to a leave of absence or any other reason, the chairperson may appoint one of the directors to act on his or her behalf. If no one is appointed, the remaining directors will appoint one person as an agent.

Article XVII The duties and powers of the board of directors are as follows:

- I. Review and approval of important Company regulations.
- II. Assess the Company's business policies.
- III. Review and approve the Company's budget and final accounts.
- IV. Propose the Company's profit distribution.
- V. Propose to increase/decrease the Company's capital.
- VI. Determine the appointment of key Company personnel.
- VII. Review the Company's business report.
- VIII. Purchase and disposal of important Company assets.
- IX. Review and approval of major investment cases.
- X. Other functions and powers conferred by laws and regulations and the shareholders' meeting.

Article XVIII All directors shall be notified seven days before the Company convenes a board of directors meeting. But a meeting may be convened at any time during an emergency. The convening notice mentioned in the preceding paragraph shall state the reason for convening in writing, by email, or fax. Furthermore, when a board of directors meeting is conducted via video conference, the directors taking part via video conferencing shall be deemed to have attended the meeting in person.

If a director is unable to attend a board of directors meeting in person, a director proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority.

Any proxy prescribed in the preceding paragraph shall only represent one director in the meeting.

Article XIX Unless otherwise specified by the Company Act, the Board of Directors' resolutions is passed only if over half of the board members are present during the meeting and the majority of the attending directors vote in favor.

Article XX The Company may also set up other functional committees according to the law. The exercise of powers and other matters to be followed by each

committee shall be handled according to the relevant laws and regulations as well as the Company's Articles of Incorporation.

Article XXI The directors' traveling expenses shall be decided by the board of directors meeting.

Article XXII When any of the directors perform the Company's duties, regardless of the Company's operating profit or loss, the Company shall pay the directors the remuneration negotiated based on their involvement in the Company's operations and the value of their contributions, which shall not exceed the highest salary scale stipulated by the Company's Salary Management Method.

Chapter V Managers

Article XXIII The Company shall establish one general manager and several deputy general managers, and their appointment, dismissal, and remuneration shall be handled according to Article 29 of the Company Act.

Chapter VI Accounting

Article XXIV The Company's fiscal year shall start on January 1 and end on December 31.

Article XXV Upon closing of each fiscal year, the board of directors shall work out the following documents to be acknowledged in the general shareholders' meeting according to the legal procedures:

- I. Business report.
- II. Financial statement.
- III. Proposal for surplus distribution or loss supplement.

Article XXVI Suppose there is any balance after the Company has subtracted the pre-tax profits from the remunerations to the directors and employees and reserved the amount to make up for the accumulated losses. In that case, 5% to 15% shall be allocated for employee remunerations, and no more than 2% shall be allocated for director remunerations.

Employee and director remuneration shall be resolved by a board of directors meeting attended by at least two-thirds of all board members and by a majority vote from the attending directors. The resolution shall be reported to the shareholders' meeting.

Employee remuneration can be made in stock or cash distributions, and the recipients may include employees of subordinate companies who meet certain conditions.

Article XXVI-I If the Company's annual final accounts have surpluses, 10% shall be appropriated as the statutory surplus reserve after the taxes have been paid and accumulated losses have been offset pursuant to the law unless the statutory surplus reserve has already reached the paid-in capital of the Company. The rest shall be appropriated or revolved as a special surplus reserve. Suppose there is still balance and accumulated undistributed surplus. In that case, the board of directors shall make a surplus distribution proposal and submit the case to the board of directors to pass a resolution on the shareholder dividend allocation.

The Company shall adopt the principle of stability and balance and consider the Company's future operating development capital needs and sound financial conditions for its dividend policy. Among the shareholder dividends and bonuses distributed in the current year, the distribution of cash dividends shall not be less than 50%. However, the board of

directors may adjust the ratio according to the working capital demand for the year and submit it to the shareholders' meeting for resolution.

Chapter VII Supplementary Provisions

- Article XXVII The Company's organizational charters and working rules shall be separately formulated.
- Article XXVII Any matters not addressed in the Articles of Incorporation shall be governed by the Company Act and the relevant regulations.
- Article XXIX This Articles of Incorporation was established on February 23, 2000.
The 1st amendment was made on May 10, 2000.
The 2nd amendment was made on May 12, 2000.
The 3rd amendment was made on August 21, 2000.
The 4th amendment was made on June 1, 2001.
The 5th amendment was made on June 30, 2001.
The 6th amendment was made on January 31, 2005.
The 7th amendment was made on June 2, 2006.
The 8th amendment was made on February 9, 2007.
The 9th amendment was made on February 9, 2007.
The 10th amendment was made on June 27, 2008.
The 11th amendment was made on September 19, 2008.
The 12th amendment was made on June 29, 2010.
The 13th amendment was made on June 24, 2011.
The 14th amendment was made on June 29, 2012.
The 15th amendment was made on June 27, 2016.
The 16th amendment was made on June 22, 2017.
The 17th amendment was made on June 19, 2020.
The 18th amendment was made on June 17, 2022.

TAITIEN Electronics Co., Ltd.
Chairman: Sheng-Tai Sung

TAITIEN Electronics Co., Ltd. Director Election Method

Passed by the extempore shareholders' meeting on August 21, 2000

Passed by the general shareholders' meeting on June 30, 2002

Passed by the extempore shareholders' meeting on February 9, 2007

Passed by the general shareholders' meeting on June 19, 2020

- I. Unless provided the other laws or regulations, the election of the Company's directors shall be handled according to the provisions provided herein.
The qualifications of this Company's directors shall conform to Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."
The election of this Company's directors shall conform to Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and be handled according to Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
The Company's directors shall be elected according to the Candidate Nomination System procedures provided by Article 192-1 of the Company Act.
- II. The cumulative voting method shall be used for director elections at this Company. Each share shall have voting rights equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.
- III. The board of directors shall prepare the same number of electoral votes as the number of directors to be elected, fill in the voting right number, and distribute them to the shareholders present at the shareholders' meeting.
- IV. Before the election, the chair shall appoint several scrutineers, counting clerks, etc., to perform vote monitoring and counting duties.
- V. The board of directors shall set up the ballot box during director elections, and the scrutineers shall publicly inspect the box before the vote.
- VI. If the candidate is a shareholder, the voter shall fill in the candidate's account name and shareholder account number in the "candidate" field of the ballot. The name and national identification number shall be filled in if the candidate is not a shareholder. However, when the government or a legal person is the candidate, the name of the government or legal person and the representative for said government or legal person shall be filled in in the candidate's column. If there are several representatives, the names of the representatives shall be added separately.
- VII. The ballot papers shall be invalid under any of the following circumstances:

- (I) The ballot papers specified in this regulation are not used.
 - (II) Blank ballots in the ballot box.
 - (III) The writing is blurred, unrecognizable, or altered.
 - (IV) The candidate filled in is a shareholder, but the account name or shareholder account name does not match that in the shareholder register. The candidate filled in is not a shareholder, but the verification name or national identity card number is inconsistent.
 - (V) Other texts are written in addition to the candidate's account name (name), shareholder account number (national identification number), and voting rights distribution number.
 - (VI) The name filled in is the same as that of another shareholder, but no shareholder account or national identification number is filled in for identification.
 - (VII) Two or more candidates are listed in the same ballot paper.
- VIII. The Company's directors shall be elected according to the quotas outlined in the Articles of Incorporation. The voting rights of independent and non-independent directors shall be calculated separately, and those with the most electoral votes represented by the electoral votes received shall be elected. If two or more persons have the same number of rights that exceed the prescribed number, the people with the same number of rights shall draw a lot to make the decision, and the chair shall draw the lot for those who are not present.
- IX. The chairperson shall announce the ballot results on the spot after the vote ends.
- X. The Company's board of directors shall respectively notify the elected directors.
- XI. Matters not covered by this Method shall be handled according to the Company Act, the Company's Articles of Incorporation, and the relevant laws and regulations.
- XII. This Method shall be implemented after approval by the shareholders' meeting, and the same shall apply to its amendments.

TAITIEN Electronics Co., Ltd.

Shareholders' Meeting Procedure Rules

Passed by the first 2007 extempore shareholders' meeting on February 9, 2007

Passed by the general shareholders' meeting on June 29, 2012

Passed by the general shareholders' meeting on June 19, 2020

Passed by the general shareholders' meeting on August 27, 2021

Passed by the general shareholders' meeting on June 17, 2022

I. The Company's Shareholders' Meeting Procedure Rules shall prevail unless otherwise provided by the laws or the Articles of Incorporation.

1. Unless otherwise specified by the laws or the Articles of Incorporation, the Company's shareholders' meetings shall be convened by the board of directors.

Changes to the convening method for the Company's shareholders' meeting shall be subject to a resolution of the board of directors. They shall be implemented before the shareholders' meeting notice is dispatched.

The Company shall, within thirty days prior to a general shareholders' meeting or fifteen days prior to an extempore shareholders' meeting, upload the notice to convene the shareholders' meeting, a power of attorney, the proposals for recognition, discussion, election, or dismissal of directors, etc., in electronic formats to the Market Observation Post System. The Company shall also formulate the shareholders' meeting handbook and supplementary materials into electronic files and upload them to the Market Observation Post System at least twenty-one days before a general shareholders' meeting or fifteen days before an extempore shareholders' meeting. However, if the Company's paid-in capital at the end of the most recent fiscal year is NT\$10 billion or higher or the total shareholding ratio from foreign capital and capital from mainland China recorded in the shareholder register during a general shareholders' meeting in the most recent fiscal year has exceeded 30%, the transmission of the aforesaid electronic file shall be completed thirty days before the general shareholders' meeting. The Company shall complete the current meeting handbook and supplementary materials for shareholders' reference at any time and display this information at the premises of the Company and the professional stock agency appointed by the Company fifteen days prior to the shareholders' meeting.

For the procedure manual and supplementary meeting materials mentioned in the preceding paragraph, the Company shall provide references to shareholders in the following manners on the shareholders' meeting day:

- (1) When a physical shareholders' meeting is held, distribute the references on the spot at the meeting.
- (2) When a video-assisted shareholders' meeting is held, distribute the references on the spot at the meeting and send the electronic files to the video-conferencing platform.

(3) When a video-assisted shareholders' meeting is held, send the electronic files to the video-conferencing platform.

The notice shall specify the reason for the convening; if the counterparty approves the notice, it may be prepared in electronic format.

Issues that involve election or dismissal of directors, changes to the Articles of Incorporation, capital reduction, application for suspension of a public offering, director's permission to compete, surplus capital increase, capital reserve conversion, corporate liquidation, merger, divestment, or any matters listed in Paragraph 1 of Article 185 of the Company Act, Article 26-1 or Article 43-6 of the Securities and Exchange Act, or Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be raised and have the main content explained as part of the regular motions (it cannot be raised in the form of special motions). The main content may be placed on websites designated by the competent securities authorities or the Company, and the website addresses shall be specified in the notice.

If the reasons for convening the general shareholders' meeting have stated the general re-election of directors and the date of their inauguration, after the re-election by the shareholders' meeting is completed, the same meeting shall not reach any resolution to change the date of the directors' inauguration by extempore motions or any other means.

2. Shareholders holding over 1% of the Company's outstanding shares are entitled to propose written motions for discussion in Annual General Meetings. Each shareholder may only propose one motion. Proposals exceeding this limit shall be excluded from the discussion. If a shareholder's proposal involves one of the conditions specified by Paragraph 4, Article 172-1 of the Company Act, the proposal shall be excluded from the board of directors meeting. Shareholders may submit proposals to urge the Company to promote public interests or CSR fulfillment. Only 1 item may be proposed pursuant to the provisions provided by Article 172-1 of the Company Act. Proposals containing over 1 item shall be rejected.

The Company shall announce the conditions, places, written or electronic acceptance method, and time within which shareholders proposals are accepted before the book closure date of the Annual General Meeting. The timing of acceptance must not be less than ten days.

A proposal made by a shareholder shall be limited to 300 characters. Anything exceeding 300 characters shall be excluded. The proposing shareholder shall attend the shareholders' meeting in person or entrust another to participate in the proposal discussion.

The Company shall advise the proposing shareholder of the handling results before the date of notice for the shareholders' meeting and list the proposals conforming to the provision of this Article in the meeting notice. For shareholders' proposals that are not included in the discussion, the board of directors shall explain the reasons for rejection at the shareholders' meeting.

3. At each shareholders' meeting, any of the shareholders may issue a power of attorney stipulated by the Company specifying the scope of authorization to appoint a proxy to attend the shareholders' meeting. Each shareholder may only issue one power of attorney to appoint only one proxy, which shall be delivered to the Company five days before the convening shareholders' meeting. In the event of any repetitive powers of attorney, the one served first shall prevail. However, such a provision does not apply to the powers of attorney issued before the declaration of revocation.

After a power of attorney is delivered to the Company, shareholders who wish to attend the shareholders' meeting shall notify the Company in writing of the revocation of the proxy two days before the shareholders' meeting. In the

event of overdue revocation, the voting right exercised by the authorized proxy shall prevail.

After a power of attorney is delivered to the Company, shareholders who wish to attend the shareholders' meeting via video conferencing shall notify the Company of the proxy revocation in writing two days prior to the shareholders' meeting. The voting rights of the entrusted proxy shall prevail if the revocation is not issued prior to the deadline.

- II. The Company shall specify the reporting time, location, and other matters requiring attention for the accepted shareholders, solicitors, and entrusted proxies (hereafter "shareholders"). The preceding registration time shall be at least thirty minutes before the meeting. The registration area shall be clearly identified, and sufficient personnel must be deployed to handle the registration matters. For shareholders' meetings conducted via video conferencing, registration shall be accepted on the shareholders' meeting video conference platform thirty minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed to be present at the shareholders' meeting in person. The shareholders must present the attendance certificate, sign-in card, or other attendance certificates to attend the shareholders' meeting. Except for the documents the shareholders require to attend, the Company shall not arbitrarily request other supporting documents. The proxy with a power of attorney must present ID documents for verification.

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

The Company shall deliver the procedures handbooks, annual reports, attendance certificates, speech slips, voting ballots, and other meeting materials to the shareholders attending the shareholders' meeting. If there is any election of directors, the election ballots shall be attached. For the shareholder who is a government or legal person, the number of representatives attending the shareholders' meeting is not limited to one person. When a legal person is appointed to attend the shareholders' meeting, only one representative of such a legal person may be appointed to participate in the meeting.

If a shareholders' meeting is held via video conferencing, shareholders who wish to attend by video conferencing shall register with the Company two days before the shareholders' meeting.

Suppose a shareholders' meeting is held via video conferencing. In that case, the Company shall upload the procedural manual, annual report, and other relevant materials to the shareholders' meeting video conferencing platform at least thirty minutes before the start of the meeting and continue to disclose the materials until the end of the meeting.

When the Company holds a shareholders' meeting via video conference, the following matters shall be stated in the shareholders' meeting convening notice:

1. Shareholder video conference participation and rights exercising method.
2. Handling method for video conference platform or participation obstacles

caused by natural disasters, incidents, or other force majeure circumstances shall include at least the following:

- (1) If the preceding obstacles cannot be eliminated, the time in which the meeting must be extended or continued, as well as the extension or continuation date of the meeting.
- (2) Shareholders who have not registered to participate in the original shareholders' meeting by video conferencing shall not participate in the extension or continuation of the meeting.
- (3) If a video-assisted shareholders' meeting held by the Company cannot continue, the shareholders' meeting shall continue if the total number of shares in attendance still reaches the statutory quota for the shareholders' meeting resolution after deducting the number of shares attending the shareholders' meeting by video. For the shareholders who participate by video conference, the number of shares they represent shall be included in the total number of shares for the shareholders present. Still, it shall be regarded as abstention from the resolutions of this shareholders' meeting.
- (4) Handle method if all motions' results have been declared, but no provisional motion has been made.

3. If a shareholders' meeting is convened via video conferencing, appropriate alternatives shall be provided for shareholders who have difficulty attending the shareholders' meeting via video conferencing.

- III. The attendance and voting at a shareholders' meeting shall be calculated based on the number of shares. The number of shares held by those present and the number of shares registered via the video conferencing platform shall be calculated based on the signature book or the sign-in card submitted, plus the number of shares exercising voting rights in writing or electronically.

The Company shall prepare a statistical table according to the prescribed format containing the number of shares acquired by the solicitor, the number of shares represented by the proxy, and the number of shares held by the shareholders attending the meeting in writing or electronically, and disclose the information on the day of the shareholders' meeting in the meeting venue. Suppose a shareholders' meeting is held via video conferencing. In that case, the Company shall upload the preceding information to the shareholders' meeting video conferencing platform at least thirty minutes before the start of the meeting and continue to disclose it until the end of the meeting.

When the Company holds a shareholders' meeting via video conferencing, the total number of rights held by the attending shareholders shall be disclosed on the video conferencing platform when the meeting is adjourned. The same applies if there are other statistics regarding the total number of shares and voting rights from the shareholders present at the meeting.

- IV. The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The

meeting may begin no earlier than 9 AM or later than 3 PM. A shareholders' meeting convened by the Company via video conferencing is not subject to the preceding convening location restriction.

When the Company holds a video conference for a shareholders' meeting, the chairman and the minute taker shall be at the same place in Taiwan, and the chairman shall announce the address at the time of the official convening of the meeting.

- V. If the board of directors convenes a shareholders' meeting, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or unable to exercise his/her power and authority, the Vice Chairman is to act as a proxy. Supposing there is no Vice-Chairman or the Vice Chairman is also on leave or unable to exercise his/her power and authority for any reason, in such case 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 serve as chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select one Director as a proxy from among themselves.

The convener shall act as the meeting chair for shareholders' meetings convened by any authorized party other than the board of directors. If there are two or more conveners at the same time, one shall be appointed among themselves to chair the meeting. A procedural manual shall be compiled when convening a shareholders' meeting.

- VI. The Company may appoint lawyers, accountants, or relevant personnel to attend the shareholders' meeting as attendees.
- VII. The Company shall record the entire registration, discussion, and voting process continuously and uninterruptedly during a shareholders' meeting, starting from accepting shareholders registration. The record shall be retained for one year. However, if the case involves a lawsuit, the materials shall be retained until the end of the case according to Article 189 of the Company Act.

If a shareholders' meeting is held via video conferencing, the Company shall record the shareholders' login, registration, check-in, questions, voting, and the Company's vote counting results. The entire video conferencing process shall be recorded continuously and uninterruptedly.

The Company shall properly preserve the preceding materials and audiovisual recordings throughout the Company's existence. Audiovisual recordings shall be provided to those entrusted to preserve the video conference affairs.

- VIII. The chair shall call the meeting to order at the scheduled meeting time and announce the relevant information, such as the number of non-voting rights and the number of shares present.

However, when shareholders representing over half the total number of issued shares are not present, the chairman may postpone the meeting. The times of postponements shall not exceed two, and the entire postponement time shall not

exceed one hour. If the share amount present is still insufficient after 2 delays but is over 1/3 of the total issued shares, the chair shall abort the meeting. If the shareholders' meeting is to be held via video conferencing, the Company shall also announce the meeting has been aborted through the video conferencing platform.

Suppose the share amount present does not exceed one third of the total issued shares after two delays. In that case, a tentative resolution may be passed pursuant to the first paragraph in Article 175 of the Company Act, notify the shareholders of the tentative resolution, and reconvene the shareholder's meeting within one month. If the shareholders' meeting is to be held via video conferencing, Shareholders who wish to attend by video conferencing shall re-register with the Company according to Article 2.

Suppose the number of shares represented by the shareholders present has reached a majority of the total number of shares issued before the end of the meeting. In that case, the chair shall resubmit the tentative solutions passed to be voted by the shareholders' meeting according to Article 174 of the Company Act.

- IX. If the board of directors convenes a shareholders' meeting, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order established by the agenda, which may not be changed without a resolution of the shareholders' meeting.

Suppose the shareholders' meeting is convened by a person other than the board of directors who has the right to convene. In that case, the preceding paragraph's provisions shall apply *mutatis mutandis*.

Before the meeting according to the preceding two paragraphs (including special motions) has been concluded, the chair shall not declare the meeting adjourned without a resolution. Suppose the chair violates the procedure rules and announces the meeting has adjourned. In that case, other members of the Board of Directors shall promptly assist the shareholders present in electing one person to serve as the chair and continue the meeting according to the procedures established by law, and continue the meeting.

The chairman shall provide sufficient explanations and opportunities for discussion on the proposals and the amendments or extempore motions proposed by shareholders. When the chairman deems that the voting has reached a sufficient level, he/she may announce the suspension of the discussion for voting and arrange a suitable time for voting.

- X. Before a shareholder present delivers a speech in the meeting, he/she must fill out a speech slip that states the main points of his/her address, his/her shareholder account number (or attendance certificate number), and account name. The chair shall determine the order of speeches to be delivered.

The attending shareholders who only submit the speech slip without making speeches are deemed to have not made speeches. If the content of the spoken speech is inconsistent with the record of speech slip, the content of the verbal speech shall prevail.

When an attending shareholder makes a speech, other shareholders shall not interfere with his/her speech unless having obtained the consent of the chairman and the speaking shareholder. The chairman shall stop anyone from violating the provision.

- XI. 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 five minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

- XII. When a juristic person is appointed to attend a shareholders' meeting as a proxy, it shall designate only one person to represent it during the meeting.

When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one of these representatives may make a speech on each proposal.

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

Suppose a shareholders' meeting is held via video conferencing. In that case, the shareholders participating by video conferencing may ask questions in the text on the shareholders' meeting video conferencing platform after the chair announces the meeting and before the meeting adjournment is announced. Each shareholder shall not ask over two questions per meeting; each question is limited to 200 words, and the provisions provided in Articles 10 to 12 shall not apply.

- XIV. The chairman shall designate the scrutineers and vote-counters for voting on the resolution, but the scrutineers shall have the identity as shareholders.

The counting of votes for voting on proposals or elections at the shareholders' meeting shall be done at a public place at the venue of the meeting. After the votes are fully counted, the results shall be announced on the spot. They shall include the weight for statistics, and a record shall be made.

When the Company convenes a shareholders' meeting via video conferencing, the shareholders participating by video shall conduct voting on the various resolutions and election proposals via the video conference platform after the chairman announces the meeting has started. The voting shall be completed before the chairman announces the voting is closed. Those who did not vote within this time frame shall be deemed to have abstained.

Suppose a shareholders' meeting is held via video conferencing. In that case, the votes shall be counted once the chair announces the voting is closed, and the voting and election results shall be announced.

When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conferencing according to the provisions of Article 2 and wish to attend the physical shareholders' meeting in person shall cancel the registration two days before the shareholders' meeting in the same manner as making the registration. Those who failed to cancel

within this time limit shall only attend the shareholders' meeting via video conferencing.

Except for provisional motions, those who participated in the shareholders' meeting via video conferencing and exercised their voting rights in writing or electronically without revoking their declaration of shall not vote again on the original proposal, propose amendments to the original proposal, or exercise voting rights on the amendments to the original proposal.

XV. When a meeting is in progress, the chair may announce a break based on time considerations. During a force majeure event, the chair may rule to suspend the meeting temporarily and announce the meeting continuation time or postpone or continue the meeting within five days upon the shareholders' meeting resolution.

XVI. Except as otherwise provided in the Company Act and the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, shareholders shall vote on a case-by-case basis, and the shareholders approval, opposition, and abstention voting results shall be uploaded to the Market Observation Post System.

1. Shareholders have one voting right per share, except those restricted or have no voting rights pursuant to Paragraph 2, Article 179 of the Company Act. When the Company convenes a shareholders' meeting, it may adopt electronic or written manners to exercise the voting rights; when exercising voting rights in writing or electronically, the method for exercising rights shall be specified in the shareholders' meeting convening notice. Shareholders who exercise their voting rights in writing or electronically are deemed to have attended the shareholders' meeting in person. However, they are considered to have waived their rights to participate in any special motions or amendments to the original motions that may arise during the shareholders' meeting.

In the event of exercising voting rights in writing or electronically, according to the preceding paragraph, the statement of intent shall be delivered to the Company two days before the shareholders' meeting convenes. However, such a provision does not apply to those statements of intent issued before the declaration of revocation.

After shareholders have exercised their voting rights in writing or electronically if they wish to attend the shareholders' meeting in person, they must revoke the preceding expressions of intent two days before the shareholders' meeting in the same way they exercised their vote rights. The voting rights exercised in writing or electronically shall prevail if the revocation is overdue. Suppose the voting rights are exercised in writing or electronically and a proxy is appointed via a power of attorney to attend the shareholders' meeting. In that case, the voting rights exercised by the proxy appointed shall prevail.

2. The resolutions of the shareholders' meeting shall be made into minutes,

which shall be signed or sealed by the chairman, and shall be distributed to all shareholders within twenty days after the meeting. The distribution mentioned in the preceding paragraph shall be handled pursuant to the Company Act.

3. If a shareholders' meeting is held via video conferencing, the shareholders' meeting adjournment time, the method of convening, the name of the chair recorded, and the handling method when a force majeure issue such as natural disaster or unpreventable incident has affected the video conferencing platform or if the platform has malfunctioned shall be recorded in the minutes in addition to the items stipulated by the preceding provisions.

In addition to the provisions of the preceding paragraph, a shareholders' meeting held by the Company via video conferencing must also specify the alternative measures for shareholders who may have difficulty participating in video conferencing in the meeting minutes.

Suppose the shareholders' meeting is held via video conference. In that case, the Company shall immediately disclose the voting and election results of various proposals on the shareholders' meeting video conference platform according to the regulations. It shall continue to disclose the information for at least fifteen minutes after the chairman announces the adjournment of the meeting.

- XVII. When there is an amendment or alternative to the same proposal, the chairman shall determine the voting order with the original proposal. If one of the proposals is resolved, the other proposals shall be rejected, and no further voting is required.

- XVIII. The election of directors during the shareholders' meeting must be handled according to the relevant election provisions set by the Company. The election results, including the list of elected directors, the final tally, the list of directors who have lost the election, and the number of voting rights they obtained shall be announced on-site.

The ballots for election in the preceding paragraph shall be sealed and signed by the scrutineers and be properly preserved for at least one year. However, if the case involves a lawsuit, the materials shall be retained until the end of the case according to Article 189 of the Company Act.

- XIX. The staff serving at the shareholders' meeting shall wear identity certificates or armbands.

The chairman may direct proctors (or security personnel) to maintain order at the venue. When proctors (or security personnel) assist in maintaining order at the meeting place, they shall wear an armband bearing the word "Proctor."

If the venue has any amplifying equipment installed, the chairman may stop the shareholders from speaking with such equipment other than those provided by the Company.

Suppose a shareholder violates the procedure rules, does not obey the chairman's corrections, obstructs the progress of the meeting, and refuses to comply. In that

case, the chairman may direct the guards or security personnel to ask the shareholder to leave the venue.

- XX. If the shareholders' meeting is held via video conferencing and if there is an obstacle to the video conferencing platform or video conferencing participation due to a natural disaster, unpreventable incident, or other force majeure issues that lasted for over thirty minutes before the chair announces the meeting adjourned; the shareholders' meeting must be extended or continued within five days, and Article 182 of the Company Act shall not apply.

If the preceding extension or continuation occurs, shareholders who have not registered to participate in the original shareholders' meeting by video conferencing shall not participate in the extended or continued meeting.

If a meeting is extended or continued according to Paragraph 1, the number of shares attended and the voting or election rights exercised at the original shareholders' meeting by shareholders who have registered to participate in the original shareholders' meeting via video conferencing and completed the registration but did not participate in the extended or continued meeting shall be counted as part of the shares attended and the voting or election rights exercised at the extended or continued meeting.

If the shareholders' meeting is extended or continued according to the provisions provided by Paragraph 1, the voting and vote counting that has been completed, the voting results declared, or the list of elected directors need not be re-discussed or resolved again.

Suppose a video-assisted shareholders' meeting held by the Company cannot continue due to issues described in Paragraph 1. In that case, the shareholders' meeting shall continue if the total number of shares in attendance still reaches the statutory quota for the shareholders' meeting resolution after deducting the number of shares attending the shareholders' meeting by video. There is no need to extend or continue the meeting according to Paragraph 1.

Suppose a meeting is continued due to matters specified in the preceding paragraph. In that case, the number of shares represented by shareholders participating via video conferencing shall be included as the total number of shares from the participating shareholders. Still, they shall be deemed as abstained from the shareholders' meeting resolutions.

If a shareholders' meeting is extended or continued by the Company according to Paragraph 1, the relevant preparatory work according to the original shareholders' meeting date and the relevant provisions shall be implemented according to Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

The period specified by the latter part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder

Meetings of Public Companies as well as Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies shall be handled by the Company according to the shareholders' meeting date postponement or reconvening provisions provided by Paragraph 1.

- XXI. If the Company convenes a shareholders' meeting via video conferencing, appropriate alternatives shall be provided for shareholders who have difficulty attending the shareholders' meeting via video conferencing.
- XXII. These provisions shall be implemented after approval by the shareholders' meeting, and the same shall apply to its amendments.

The influence of the bonus shares proposed at the shareholders' meeting on the Company's operating performance and earnings per share

Item		Year	2023 (Projected)
Beginning paid-in capital			683,337,650
Dividend/bonus distribution this year	Cash dividend per share		3.5 (Note 1)
	Dividend distributed per share after capital increase out of earnings		0
	Dividend distributed per share after capital increase out of capital surplus		0
Changes in operating performance	Operating income		Not applicable (Note 2)
	Increase/decrease in operating income from the same period of last year (%)		
	Net income		
	Increase/decrease in net income from the same period of last year (%)		
	EPS		
	Increase/decrease in EPS from the same period of last year (%)		
	Annual average rate of return (annual average 1/PE ratio)		
Imputed EPS and PE ratio	Dividends distributed in cash only, in the case of capital increase out of earnings.	Imputed EPS	Not applicable (Note 2)
		Imputed annual average rate of return	
	If no capital increase out of capital surplus is adopted	Imputed EPS	
		Imputed annual average rate of return	
	If no capital increase out of capital surplus is adopted, and dividends distributed in cash instead upon capital increase out of earnings.	Imputed EPS	
		Imputed annual average rate of return	

Note 1: (1) The 2022 earnings distribution plan has not yet been resolved by the shareholders' meeting.

(2) Where the quantity of outstanding stock is affected due to changes of the Company's capital stock and thereby the payout ratio is changed and needs to be adjusted, a shareholders' meeting shall be held to authorize the Board of Directors to adjust it.

Note 2: No financial forecast is disclosed by the Company this year.

TAITIEN Electronics Co., Ltd.
Number of shares held by all the directors

Record date: April 18, 2023

Job title	Name	Date of election	Shares held when elected			Shares held currently		
			Type	Number of shares				Type
Chairman	Sheng-Tai Song	06/19/2020	Ordinary shares	10,250,618	15.00%	Ordinary shares	9,800,618	14.34%
Director	Justine Song	06/19/2020	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%
Director	Tien-Hao Wang	06/19/2020	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%
Director	Teh-Chang Yao	06/19/2020	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%
Independent Director	Hsiao-Ping Fan	06/19/2020	Ordinary shares	2,000	0.00%	Ordinary shares	15,000	0.02%
Independent Director	Yu-Tun Wu	06/19/2020	Ordinary shares	0	0.00%	Ordinary shares	0	0.00%
Independent Director	Tung-Te Li	06/19/2020	Ordinary shares	6,200	0.01%	Ordinary shares	6,200	0.01%
Total				10,258,818			9,821,818	

Total shares issued on June 19, 2020: 68,333,765 shares

Total shares issued on April 18, 2023: 68,333,765 shares

Remark:

1. Minimum number of shares to be held by the Company's whole directors pursuant to laws: 5,466,701 shares; 9,800,618 shares already held by April 18, 2023.
 2. The Company already established the Audit Committee. Therefore, no requirements about minimum shares to be held by supervisors pursuant to laws shall apply.
- © The number of shares held by independent directors is excluded from the calculation of shares to be held by directors.