



Stock Code: 3628

Notice to readers

This English version Handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

AblereX Electronics Co., Ltd.

Handbook

for The 2023 Annual Shareholders' Meeting

MEETING TIME : 9:00 a.m., Tuesday, June 27, 2023
PLACE : 1F, No. 219-2, Zhong Xing Rd. Sec.3, Xin-Dian Dist., New Taipei City
(The Koos Hotel)
WEBSITE : <http://www.ablerex.com.tw/>

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Ablerex Electronics Co., Ltd.

Procedure for the 2023 Annual Shareholders' Meeting

Call the Meeting to Order

Chairperson Remarks

1. Reports on Company Affairs
2. Matters to be approved
3. Matters to be Discussed
4. Elections
5. Other Matters
6. Extemporaneous Motions
7. Adjournment

Agenda of Annual Shareholders' Meeting

Type: Entity shareholders' meeting
Time: 9:00 a.m. on June 27, 2023 (Tuesday)
Place: 1F, No. 219-2, Zhong Xing Rd. Sec.3, XinDian Dist., New Taipei City
(The Koos Hotel)

Call the Meeting to Order (report the total number of shares present)

Chairperson Remarks

Reports on Company Affairs

- Item 1: The 2022 Business Report.
- Item 2: The Audit Committee's Review Report on the 2022 Financial Statements.
- Item 3: The 2022 Directors' and Employees' Compensation.
- Item 4: Amendment to Rules of Procedure for Board of Directors Meetings

Matters to be Approved

- Item 1: Adoption of the 2022 Business Report and Financial Statement.
- Item 2: Adoption of the Proposal for Distribution of 2022 Profits.

Matters to be Discussed

- Item 1: Amendment to the "Articles of Incorporation".

Elections

- Item 1: The 9th Election of Directors

Other Matters

- Item 1: Proposal for releasing the Prohibition on new elected Directors from Participation in Competitive Business.

Extemporaneous Motions

Adjournment

Reports on Company Affairs

Report No. 1

2022 Business Report.

Explanation: Please refer to Attachment 1 (page 7~9)

Report No. 2

Audit Committee's Review Report on the 2022 Financial Statements.

Explanation:

1. The Business Report, Financial Statements and Profit distribution table have been audited and approved by Audit Committee.
2. Please refer to the report as per Attachment 2 (page 10)

Report No. 3

The 2022 Directors' and Employees' Compensation

Explanation:

1. The amount (Directors' and Employees' Compensation are not included) of 2022 net profit before tax is NTD 145,441,116.
2. After the remuneration committee and Board of Directors reviewed the regulations and the company's operating performance in 2022, it's going to propose Employees' Compensation NTD 8,748,000 (6.01%) as 6% (not less) of net earnings before tax, it meets the requirements of the "Articles of Incorporation" of the Company. Directors' Compensation NTD 2,883,594 (1.98%) as 2% (not exceed) of net earnings before tax, also meets the requirements of the "Articles of Incorporation" of the Company.

Report No. 4

Amendment to Rules of Procedure for Board of Directors Meetings

Explanation:

1. According to TPEx (2020.6.12) Document Issue No. 10900582662.
2. In order to improve the company's good governance system of the board of directors, improve the supervisory function and strengthen the management function, following TPEx recommends and standardizes the establishment of this operation. The original " Rules of Procedure for Board of Directors Meetings" was discontinued due to the difficulty of structural revision.
2. The new articles of "Rules of Procedure for Board of Directors Meetings" as Attachment 6 (Page 40).

Matters to be Approved

Proposal 1: 【Proposed by the board of directors】

Title: Adoption of the 2022 Business Report and Financial Statement

Explanation:

1. Please refer to the 2022 Business Report and Financial Statement as per Attachment 1 (page 7~9).
2. The compilation of the Ablere's 2022 Financial Statement and Consolidated Financial Statement is completed and was expressed an unqualified opinion on those statements in the report issued by Chou, Hsiao-Tzu/CPA and Lai, Zhong-Xi /CPA of PwC Taiwan.
3. The CPA Audit Report and the above mentioned Financial Report as per Attachment 3 and 4 (page 11~24 & 25~38).
4. Adoption requested.

Resolution:

Report No. 2

Adoption of the Proposal for Distribution of 2022 Profits

Explanation:

1. The table of the 2022 Earnings Distribution as per Attachment 5 (page 39).
2. 2022 profit distribution plans are as the following:
Cash dividend to shareholders is NTD 2.00 per share with a total NTD 90,000,000. After this distribution plan is approved by the shareholders' meeting, it is proposed to authorize the chairman to set Record date and the cash dividend distribution amount is up to NT\$, The balances which is less than NTD 1.0 will be treated as undistributed surplus.

Resolution:

Matters to be Discussed

Proposal 1

Title: Amendment to the "Articles of Incorporation".

Explanation:

1. According to Taipei Exchange (2022.3.11) Issue No. 11100543772, it is proposed to amend some provisions of the "Articles of Incorporation".
2. In conjunction with the amendment of the Company Act, the provisions for video conference is allowed for listed companies to hold shareholders' meetings.
3. Accordance with Regulation, Amendment reference table of " Articles of Incorporation " as per Attachment 7 (Page 47).
4. Discussion and resolution requested.

Resolution:

Elections

Proposal 1 **【Proposed by the board of directors】**

Title: The 9th Election of Directors

Explanation:

1. The 8th term of the directors have been expired on June 18, 2023, and shall be re-elected in the general shareholders' meeting.
2. According to Articles of Incorporate of the company, there shall be 7 to 9 directors includes at least 3 independent directors. The next term is scheduled to elect 9(nine) directors (including three independent directors). The term of the new directors shall be from June 27, 2023 to June 26, 2026, and the current term of the directors are up till finish of the Annual general shareholders' meeting.
3. The proposed list of candidates for directors and independent directors were reviewed and qualified by the board meeting of the company on May 8, 2023. The relevant information is as attachment 8 (Page 48):
4. Election requested

Voting Results:

Other Matters

Proposal 1

Title: Proposal for releasing the Prohibition on new elected Directors from Participation in Competitive Business.

Explanation:

1. According to the regulation of article 209 of Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. The company's new directors and their representatives, if they invest or operate other companies related to or similar to the company's business scope, in case without prejudice to the company's interests, the company agrees to terminate the director and his representatives Restrictions on Prohibition of Competition. Please refer to attachment 9 (see P.52) for the detailed list of restrictions on rescission of non-competitive behaviors of directors (including independent directors), but the person of rescission is based on the actually elected directors (including independent directors).
3. Discussion and resolution requested.

Resolution:

Extemporary Motions

Adjournment

Ablerex Electronics Co., Ltd.

2022 Business Report

1. Guidelines for management:

The Group's business development in 2022 is based on the characteristics of different regions around the world, continues the localized business strategy, and combines the advantages of "fast, professional, and integrated" technical services to develop its own brand of Ablerex with local characteristics and provide products that meet market needs more deeply with service. In the OEM business, we take advantage of technological independence to provide differentiated ODM services to meet the different needs of customers. In terms of research and development technology, the power capacity of the product will be further improved, and it will develop in the direction of large-scale, industrialization, and modularization, and provide more diverse and broader product portfolio solutions. In terms of production and manufacturing, continue the industrialization plan, further introduce automated production equipment, reduce manpower dependence and improve manufacturing efficiency and energy utilization, and move towards a green factory.

2. Implementation

In 2022, the world gradually came out of the haze of the new crown virus. It was originally expected that the global economy would continue to recover. However, the international economy continued to fight against the Russian-Ukrainian war, China's epidemic prevention and control measures continued, the Federal Reserve's rapid interest rate hikes, and rising inflationary pressures. Under the impact, demand in the United States, Europe, and China has all declined significantly, manufacturers have turned conservative in investment, and Taiwan's export growth has slowed down. However, under such unfavorable circumstances, the Group was still able to seize the opportunity of the panic demand of customers from all over the world to replenish inventory in the early stage of the unblocking of the epidemic, and cooperated with the main marketing base to quickly and flexibly dispatch production lines and inventory to respond, resulting in a significant revenue of the company's uninterruptible power equipment products Growth; and solar power converter sales and labor income (mostly from domestic sources), benefiting from the government's energy and industrial development policies, continued to grow. As for the sales of active filters, due to the sluggish demand due to the unresolved epidemic prevention and control measures in the main market in mainland China, the revenue from project engineering continued to decline. Although the project engineering revenue was still bright, it showed a slight decline due to the very high base period in the previous period.

As far as product development is concerned, after adopting the "one-stop" model of sales, production and research, marketing, business, R&D and production have been connected in series from the beginning, the accuracy and recognition of product positioning in the market have been improved, and the mass production schedule has been accelerated and the mass production efficiency has been accelerated. Improvement and high C/P products have been launched successively, gradually returning to the low-end market, and continue to carry out the generation conversion of high-end products to maintain the leading edge of technology. In terms of production and manufacturing, we

will continue to optimize supply chain management, implement product design and purchase model adjustments, and alleviate the factory's shortage of materials and inventory pressure. However, the COVID-19 epidemic is still lingering, and the shortage of raw materials in the market has not yet been completely relieved, resulting in material shortages and inventory. The problem improvement effect is slightly stalemate; the production process has introduced the concept of Industry 4.0, the efficiency of information collection, problem discovery, and verification has been improved, the bottleneck of the production line has been gradually eliminated, and the production efficiency and product quality have been improved.

3. Operating Performance in 2022

The company's 2022 consolidated operating income NTD3,057,767 thousand has reached a new level. It not only broke through last year's revenue but also over NTD 3 billion, becoming a new second-highest record than ever. There is an increase of 2.45% compare with the previous period of NTD2,984,677 thousand. The after-tax consolidated net profit was NTD 113,824 thousand, an increase of 56.35% compared with the previous period of NTD72,801 thousand. (ref. table below)

Unit: NTD thousands

Item	2022	2021	Growth Rate(%)
Sales Revenue	3,057,767	2,984,677	2.45%
Gross profit	723,876	633,996	14.18%
Operating income	121,155	77,979	55.37%
Net income	113,824	72,801	56.35%
Profit attributable to parenting company	114,704	72,162	58.95%
EPS (NTD)-after tax	2.55	1.60	59.38%

4. Revenue and Expenses in 2022

(1) Sales Revenue

The operating income items in 2022 include sales income and service income, totaling NTD3,057,767 thousand, an increase of NTD73,090 thousand (2.45%) compared with NTD2,984,677 thousand in 2021. Compared with the sales revenue and labor revenue contribution of the five major products in the second year, the sales of active filters, project engineering and other categories (components, batteries, etc.) showed a decline in revenue; while the sales of uninterruptible power systems and solar power converters and Labor service income has grown significantly, among which the sales of solar power converters increased by NTD75,363 thousand, with a growth rate of 70.64%, the highest growth rate, while the uninterrupted power system revenue increased the most, with an increase of NTD100,895 thousand, which was almost enough to make up for the recession. The decrease in turnover of these two products, the growth of these two products is the main reason for the substantial growth in revenue this year compared with the previous year and the second highest revenue record.

(2) Operating Costs

The total operating expenses in 2022 was NTD2,936,612 thousand, an increase of NTD29,914 thousand (1.03%) compared with NTD2,906,698 thousand in 2021, and the increase came from operating expenses. Among them, the research and development expenses are due to the continuous increase of the development strategy, and the marketing expenses are a significant increase due to the expansion of operations and activities as the pandemic slows down and inflation factors.

5. Profitability Analysis

Major indicators of operating performance in 2022 are as the table below:

Unit: NTD thousands

Item	2022	2021	Growth Rate(%)
Return on Assets	3.49%	2.46%	+1.03 ppts
Return on Shareholders' Equity	7.00%	4.88%	+2.12 ppts
Operating Income to Capital (%)	26.92%	17.33%	+9.59 ppts
Profit before Tax to Capital (%)	31.41%	19.38%	+12.03 ppts
Net Profit Margin	3.72%	2.44%	+1.28 ppts
EPS (NTD)-after tax	2.55	1.60	59.38%

In 2022, because of the increase in product prices and the improvement of production efficiency, the gross profit margin of sales (23.67%) increased by 2.43 percent compared with 21.24% in 2021. Therefore, although the operating expense ratio increased by 1.08 percent compared with 2021, the overall operating profit and operating profit ratio still showed growth and the annual net profit and net profit ratio both increased, and the related assets and capital operation performance indicators were also better than those in 2021.

6. Research and Development Status

The company adheres to the belief of "technical independence" and the R&D department continues to cooperate with the academic circles to carry out the application research and development of three-phase, high-end, and large-capacity power electronic technologies, and to strengthen the core technical capabilities of power conversion; at the same time, it strengthens the concept of "design for mass production", Improve the production and market-oriented thinking of R&D personnel, and accelerate the speed of technology marketization. At present, the company's implementation of product design has developed towards lightness, intelligence, modularization and networking, and the product's cost performance and market competitiveness have improved. At the same time, in line with the development trend of the energy market, household and grid-level energy storage products have been completed. It has been developed and has been actually applied to the operation of the domestic power auxiliary service market and has achieved excellent results. In the future, it will occupy a place in the transformation process of Taiwan's power grid.

Chairman: Steven Hsu

Manager: M.Z. Hwang

Accounting: Emma Liao

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of profits. Chou, Hsiao-Tzu/CPA and Lai, Zhong-Xi/CPA, The CPA firm of PricewaterhouseCooper was retained to audit Ablere's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan Semiconductor Manufacturing Company Limited. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Ablere Electronics Co., Ltd.

Chairman of the Audit Committee: Sir Y.J. Ding

March 21, 2023

(As per Page 10 of Chinese version of "Handbook for the 2023 Annual Shareholders' Meeting)

ABLEREX ELECTRONICS CO., LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ABLEREX ELECTRONICS CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of Ablrex Electronics Co.,Ltd. as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies. In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 judgement, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements of the current period are stated as follows:

Appropriateness of cut-off of project construction revenue

Description

Please refer to Note 4(25) for accounting policy on revenue recognition and Note 6(18) for composition of operating revenue. For the year ended December 31, 2022, the Company's project construction revenue amounted to NT\$1,232,936 thousand, accounting for 45% of net sales.

The Company's operating revenue is comprised of sales revenue and project construction revenue. The main composition of the project construction revenue is the sale of large equipment and installation related projects. The project needs to be completed through the Company's installation of large-scale equipment, and after the relevant documents are executed by both parties and the client can obtain and consume the benefits provided by the asset, the Company will have deemed to have completed the contractual performance obligations and can recognize the project construction revenue. Due to the fact that the income of the Company's project construction involves manual operation, it may result to inappropriate timing recognition of revenue. Considering that the amount of income recognized by the Company's project construction in a timely manner has a significant impact on the parent company only financial statements, we have deemed the appropriateness of the project construction income as one of the significant audit matters for the year.

How our audit addressed the matter

We performed the following audit procedures in order to assess cut-off of project construction revenue:

1. Assessed and obtained an understanding of the Company's internal control procedures of the project construction revenue recognition, and confirmed the related internal controls were performed effectively.
2. Performed cut-off test on project construction revenue transactions, and selected samples to check that the project construction revenue had been recorded in the proper period accordingly.
3. Tested the accuracy and completeness of project construction list and traced to a related document that can prove revenue in order to confirm that the recognition amount and timing were appropriate.

Valuation of allowance for inventory valuation losses

Description

Please refer to Note 4(11) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for the details of allowance for inventory valuation losses. Also, please refer to Note 4(12) for accounting policies on investments accounted for using equity method, Note 6(6) for details of investments accounted for using equity method, and Note 13(3) for disclosure of investments accounted for using equity method.

As of December 31, 2022, the Company's inventories and allowance for inventory valuation losses amounted to \$928,966 thousand and \$77,001 thousand, respectively, and the Company's investments accounted for using equity method amounted to \$710,984 thousand, of which the Company's wholly-owned subsidiary, Ablere Electronics (Suzhou) Co., Ltd, of \$422,877 thousand was the major operating entity. The Company and its directly wholly-owned subsidiary, Ablere Electronics (Suzhou) Co., Ltd, are engaged in the design, manufacture and sales of uninterruptible power supply systems, equipment to power quality devices and others. Due to the rapid technological innovations and the competitive nature of the market, there is a higher risk of inventory losses due to the market value decline or obsolescence. The Company recognises inventories at the lower of cost and net realizable value. Obsolete or slow-moving inventories were assessed individually. The Company's and its subsidiary's estimation and determination of the net realizable value of inventories are subjected to management's judgement, involves a high level of uncertainty. Considering that the inventories and inventory valuation loss of the Company and its directly wholly-owned subsidiary, Ablere Electronics (Suzhou) Co., Ltd, which is accounted for using equity method, were significant to the parent company only financial statements, it was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in order to assess the adequacy of the measurement of net realisable value and provision on allowance for inventory valuation losses:

1. Assessed the reasonableness of policies relating to the provision of allowance for inventory valuation losses and procedures based on our understanding of the Company's and its subsidiary's operation and industry.

2. Verified the accuracy of the inventory aging report and net realisable value report in order to confirm that the information in the reports were consistent with the Company's and its subsidiary's inventory policies.
3. Checked the appropriateness of the estimation basis adopted by the Company and its subsidiary for the evaluation of the net realizable value, verified the accuracy of inventory selling and purchase prices, and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.
4. Reviewed the appropriateness of the estimation basis for the evaluation of net realisable value, randomly checked supporting documents of product sales and purchases and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Chou, Hsiao-Tzu

Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 21, 2023

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

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

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 122,736	4	\$ 109,081	4
1136	Current financial assets at amortised cost	6(3) and 8	194	-	194	-
1150	Notes receivable, net	6(4)	4,969	-	24,282	1
1170	Accounts receivable, net	6(4)	490,125	14	641,358	22
1180	Accounts receivable due from related parties, net	6(4) and 7	260,720	8	170,860	6
1210	Other receivables - related parties	7	55,443	2	47,199	1
1220	Current tax assets		-	-	2,294	-
130X	Inventories, net	6(5)	851,965	25	603,206	20
1410	Prepayments		13,315	-	5,697	-
11XX	Total current assets		1,799,467	53	1,604,171	54
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	243,536	7	81,000	3
1550	Investments accounted for under equity method	6(6)	710,984	21	661,145	22
1600	Property, plant and equipment	6(7)	497,216	14	518,813	17
1755	Right-of-use assets	6(8)	8,212	-	3,419	-
1780	Intangible assets		29,626	1	30,317	1
1840	Deferred income tax assets	6(25)	42,642	1	47,763	2
1900	Other non-current assets	6(9)	93,178	3	22,520	1
15XX	Total non-current assets		1,625,394	47	1,364,977	46
1XXX	Total assets		\$ 3,424,861	100	\$ 2,969,148	100

(Continued)

Liabilities and Equity			December 31, 2022		December 31, 2021				
			Notes	AMOUNT	%	AMOUNT	%		
Current liabilities									
2100	Short-term borrowings	6(10)	\$	465,000	14	\$	615,781	21	
2110	Short-term notes and bills payable	6(11)		69,845	2		-	-	
2130	Current contract liabilities	6(18)		276,289	8		178,775	6	
2150	Notes payable			3,689	-		3,873	-	
2170	Accounts payable			337,574	10		222,903	8	
2180	Accounts payable - related parties	7		219,211	6		158,968	5	
2200	Other payables	6(12)		119,037	4		118,657	4	
2230	Current income tax liabilities			8,901	-		7,174	-	
2250	Provisions for liabilities - current	6(13)		65,963	2		56,909	2	
2280	Current lease liabilities	7		5,895	-		2,552	-	
2300	Other current liabilities, others			9,983	-		8,483	-	
21XX	Total current liabilities			1,581,387	46		1,374,075	46	
Non-current liabilities									
2570	Deferred income tax liabilities	6(25)		92,975	3		88,793	3	
2580	Non-current lease liabilities	7		2,465	-		924	-	
2640	Net defined benefit liability, non-current	6(14)		11,831	-		17,769	1	
25XX	Total non-current liabilities			107,271	3		107,486	4	
2XXX	Total Liabilities			1,688,658	49		1,481,561	50	
Equity									
	Share capital	6(15)							
3110	Common stock			450,000	13		450,000	15	
	Capital surplus	6(16)							
3200	Capital surplus			713,416	21		720,878	24	
	Retained earnings	6(17)							
3310	Legal reserve			225,053	6		217,453	7	
3320	Special reserve			61,427	2		52,110	2	
3350	Unappropriated retained earnings			163,863	5		108,573	4	
	Other equity interest								
3400	Other equity interest			122,444	4	(61,427)	(2)
3XXX	Total equity			1,736,203	51		1,487,587	50	
Significant commitments and contingent liabilities 7 and 9									
Significant events after the balance sheet date 11									
3X2X	Total liabilities and equity		\$	3,424,861	100	\$	2,969,148	100	

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18) and 7	\$ 2,714,662	100	\$ 2,550,234	100
5000	Operating costs	6(5)(23)(24) and 7	(2,279,823)	(84)	(2,149,927)	(84)
5950	Gross profit from operations		434,839	16	400,307	16
	Operating expenses	6(23)(24) and 7				
6100	Selling expenses		(106,826)	(4)	(100,752)	(4)
6200	General and administrative expenses		(73,030)	(3)	(70,516)	(3)
6300	Research and development expenses		(165,063)	(6)	(157,541)	(6)
6000	Total operating expenses		(344,919)	(13)	(328,809)	(13)
6900	Net operating income		89,920	3	71,498	3
	Non-operating income and expenses					
7100	Interest income	6(19) and 7	1,383	-	531	-
7010	Other income	6(20) and 7	8,401	-	2,226	-
7020	Other gains and losses	6(21)	19,048	1	2,429	-
7050	Finance costs	6(22) and 7	(6,574)	-	(4,330)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	21,632	1	5,957	-
7000	Total non-operating income and expenses		43,890	2	6,813	-
7900	Profit before income tax		133,810	5	78,311	3
7950	Income tax expense	6(25)	(19,106)	(1)	(6,149)	-
8200	Profit for the year		\$ 114,704	4	\$ 72,162	3
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(14)	\$ 5,941	-	\$ 4,799	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(2)	162,536	6	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(1,188)	-	(960)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		167,289	6	3,839	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		26,669	1	(11,646)	-
8399	Income tax relating to components of other comprehensive (losses) income that will be reclassified to profit or loss	6(25)	(5,334)	-	2,329	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		21,335	1	(9,317)	-
8300	Other comprehensive income (loss), net		\$ 188,624	7	(\$ 5,478)	-
8500	Total comprehensive income		\$ 303,328	11	\$ 66,684	3
9750	Total basic earnings per share		\$ 2.55		\$ 1.60	
9850	Total diluted earnings per share		\$ 2.54		\$ 1.60	

2021

Balance at January 1, 2021	\$ 450,000	\$ 720,878	\$ -	\$ 213,249	\$ 52,283	\$ 81,603	(\$ 52,110)	\$ -	\$ 1,465,903
Profit for the year	-	-	-	-	-	72,162	-	-	72,162
Other comprehensive income (loss) for the year	-	-	-	-	-	3,839	(9,317)	-	(5,478)
Total comprehensive income (loss)	-	-	-	-	-	76,001	(9,317)	-	66,684
Appropriation and distribution of 2020 earnings:									
Legal reserve appropriated	-	-	-	4,204	-	(4,204)	-	-	-
Reversal of special reserve	-	-	-	-	(173)	173	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(45,000)	-	-	(45,000)
Balance at December 31, 2021	\$ 450,000	\$ 720,878	\$ -	\$ 217,453	\$ 52,110	\$ 108,573	(\$ 61,427)	\$ -	\$ 1,487,587

2022

Balance at January 1, 2022	\$ 450,000	\$ 720,878	\$ -	\$ 217,453	\$ 52,110	\$ 108,573	(\$ 61,427)	\$ -	\$ 1,487,587
Profit for the year	-	-	-	-	-	114,704	-	-	114,704
Other comprehensive income for the year	-	-	-	-	-	4,753	21,335	162,536	188,624
Total comprehensive income	-	-	-	-	-	119,457	21,335	162,536	303,328
Appropriation and distribution of 2021 earnings:									
Legal reserve appropriated	-	-	-	7,600	-	(7,600)	-	-	-
Special reserve appropriated	-	-	-	-	9,317	(9,317)	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(47,250)	-	-	(47,250)
Cash dividends paid by additional paid-in capital	-	(9,000)	-	-	-	-	-	-	(9,000)
Adjustment of ownership interests in subsidiaries	-	-	1,538	-	-	-	-	-	1,538
Balance at December 31, 2022	\$ 450,000	\$ 711,878	\$ 1,538	\$ 225,053	\$ 61,427	\$ 163,863	(\$ 40,092)	\$ 162,536	\$ 1,736,203

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax		\$	133,810	\$	78,311
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation expense (including depreciation charges on right-of-use assets)	6(7)(8)(23)		38,194		37,042
Amortisation expense	6(23)		8,918		8,590
Financial costs	6(22)		6,574		4,330
Interest income	6(19)	(	1,383 )	(	531)
Dividend income	6(20)	(	4,860 )	(	1,755)
Share of loss of subsidiaries for using equity method		(	21,632 )	(	5,957)
Gain on disposal of property, plant and equipment	6(7)(21)	(	216)		-
Unrealised foreign exchange loss			90		917
Changes in operating assets and liabilities					
Changes in operating assets					
Notes receivable, net			19,313	(	10,283)
Accounts receivable, net			151,233	(	325,817)
Accounts receivable due from related parties, net		(	89,860 )	(	57,527)
Other receivables			-		118
Other receivables - related parties		(	8,244 )	(	1,909)
Inventories, net		(	248,759)		127,545
Prepayments		(	7,618)		867
Changes in operating liabilities					
Current contract liabilities			97,514	(	34,591)
Notes payable		(	184 )	(	63)
Accounts payable			114,671		15,989
Accounts payable - related parties			60,243	(	42,102)
Other payables			256		23,236
Provisions for liabilities - current			9,054		9,189
Other current liabilities, others			1,500		5,639
Defined benefit liability			3	(	7)
Cash inflow (outflow) generated from operations			258,617	(	168,769)
Dividends received			4,860		1,755
Interest received			1,383		531
Interest paid		(	6,450 )	(	4,284)
Income tax paid		(	14,597 )	(	2,772)
Income tax refunded			2,293		3,497
Net cash flows from (used in) operating activities			246,106	(	170,042)

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at amortised cost		(\$	194)	(\$	194)
Proceeds from disposal of financial assets at amortised cost			194		194
Acquisition of property, plant and equipment	6(7)	(	11,213 )	(	33,761)
Proceeds from disposal of property, plant and equipment	6(7)		560		-
Acquisition of intangible assets		(	2,529 )	(	2,692)
Increase in refundable deposits		(	2,594 )	(	828)
Increase in other non-current assets		(	4,125 )	(	10,196)
Increase in prepayment of equipment		(	69,767 )	(	439)
Net cash flows used in investing activities		(	89,668 )	(	47,916)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings	6(27)		3,226,334		4,216,585
Decrease in short-term borrowings	6(27)	(	3,377,115 )	(	3,962,804)
Increase in short-term notes and bills payable	6(27)		350,328		-
Decrease in short-term notes and bills payable	6(27)	(	280,483)		-
Repayment of principal portion of lease liabilities	6(27)	(	5,507 )	(	5,552)
Cash dividends paid	6(16)(17)	(	56,250 )	(	45,000)
Net cash flows (used in) from financing activities		(	142,693)		203,229
Effect of exchange rate changes on cash and cash equivalents		(	90 )	(	917)
Net increase (decrease) in cash and cash equivalents			13,655	(	15,646)
Cash and cash equivalents at beginning of year			109,081		124,727
Cash and cash equivalents at end of year		\$	122,736	\$	109,081

**ABLEREX ELECTRONICS CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022 AND 2021**

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ABLEREX ELECTRONICS CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of Ablere Electronics Co., Ltd. And its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Appropriateness of cut-off of project construction revenue

Description

Please refer to Note 4(25) for accounting policy on revenue recognition, Note 6(18) for composition of operating revenue and Note 14(5) for information on products and services. For the year ended December 31, 2022, the Group's project construction revenue amounted to NT\$1,232,936 thousand, accounting for 40% of consolidated net sales.

The Group's operating revenue is comprised of sales revenue and project construction revenue. The main composition of the project construction revenue is the sale of large equipment and installation related projects. The project needs to be completed through the Group's installation of large-scale equipment, and after the relevant documents are executed by both parties and the client can obtain and consume the benefits provided by the asset, the Group will have deemed to have completed the contractual performance obligations and can recognize the project construction revenue. Due to the fact that the income of the Group's project construction involves manual operation, it may result to inappropriate timing recognition of revenue. Considering that the amount of income recognized by the Group's project construction in a timely manner has a significant impact on the consolidated financial statements, we have deemed the appropriateness of the project construction income as one of the significant audit matters for the year.

How our audit addressed the matter

We performed the following audit procedures in order to assess cut-off of project construction revenue:

1. Assessed and obtained an understanding of the Group's internal control procedures of the project construction revenue recognition, and confirmed the related internal controls were performed effectively.
2. Performed cut-off test on project construction revenue transactions, and selected samples to check that the project construction revenue had been recorded in the proper period accordingly.
3. Tested the accuracy and completeness of project construction list and traced to a related document that can prove revenue in order to confirm that the recognition amount and timing were appropriate.

Valuation of allowance for inventory valuation losses

Description

Please refer to Note 4(12) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for the details of allowance for inventory valuation losses. As of December 31, 2022, the Group's inventories and allowance for inventory valuation losses amounted to NT \$1,639,365 thousand and NT \$149,091 thousand, respectively.

The Group is engaged in the design, manufacture and sales of uninterruptible power supply systems, equipment to power quality devices and others. Due to the rapid technological innovations and the competitive nature of the market, there is a higher risk of inventory losses due to the market value decline or obsolescence. The Group recognises inventories at the lower of cost and net realizable value. Obsolete or slow-moving inventories were assessed individually. The Group's estimation and determination of the net realizable value of inventories are subjected to management's judgement, involves a high level of uncertainty and has a material effect on the financial statements. Therefore, it was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in order to assess the adequacy of the measurement of net realizable value and provision on allowance for inventory valuation losses:

1. Assessed the reasonableness of policies relating to the provision of allowance for inventory valuation losses and procedures based on our understanding of the Group's operation and industry.
2. Verified the accuracy of the inventory aging report and net realizable value report in order to confirm that the information in the reports were consistent with the Group's inventory policies.
3. Checked the appropriateness of the estimation basis adopted by the Group for the evaluation of the net realizable value, verified the accuracy of inventory selling and purchase prices, and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.
4. Reviewed the appropriateness of the estimation basis for the evaluation of net realizable value, randomly checked supporting documents of product sales and purchases and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Ablere Electronics Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

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

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

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

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

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgement and professional skepticism throughout the audit. We also:

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

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

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

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

Chou, Hsiao-Tzu

Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan
March 21, 2023

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

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

ASSETS		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 259,173	7	\$ 268,948	8
1136	Current financial assets at amortised cost	6(3) and 8	13,418	1	13,226	-
1150	Notes receivable, net	6(4)	6,307	-	24,837	1
1170	Accounts receivable, net	6(4)	707,384	19	828,930	25
1180	Accounts receivable due from related parties, net	6(4) and 7	7,709	-	20,458	1
1200	Other receivables		11,049	-	8,007	-
1220	Current tax assets		2,119	-	2,377	-
130X	Inventories, net	6(5)	1,490,274	40	1,198,907	35
1410	Prepayments		42,788	1	40,402	1
11XX	Total current assets		2,540,221	68	2,406,092	71
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	243,536	7	81,000	3
1600	Property, plant and equipment	6(6) and 8	726,935	20	751,209	22
1755	Right-of-use assets	6(7), 7 and 8	13,780	-	10,498	-
1780	Intangible assets		45,970	1	46,684	1
1840	Deferred income tax assets	6(25)	42,642	1	47,763	2
1900	Other non-current assets	6(8)	101,432	3	29,844	1
15XX	Total non-current assets		1,174,295	32	966,998	29
1XXX	Total assets		\$ 3,714,516	100	\$ 3,373,090	100

(Continued)

LIABILITIES AND EQUITY			December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 616,473	17	\$ 752,544	22
2110	Short-term notes and bills payable	6(10)	69,845	2	-	-
2130	Current contract liabilities	6(18)	284,449	8	187,707	6
2150	Notes payable		3,689	-	3,873	-
2170	Accounts payable		591,145	16	550,556	16
2200	Other payables	6(12)	151,021	4	151,174	5
2230	Current income tax liabilities		17,008	-	15,103	-
2250	Provisions for liabilities - current	6(13)	65,963	2	56,909	2
2280	Current lease liabilities	7	9,237	-	5,517	-
2320	Long-term liabilities, current portion	6(11)	10,075	-	12,031	-
2399	Other current liabilities, others		18,916	1	15,837	1
21XX	Total current liabilities		<u>1,837,821</u>	<u>50</u>	<u>1,751,251</u>	<u>52</u>
Non-current liabilities						
2540	Long-term borrowings	6(11)	19,460	1	9,479	-
2570	Deferred income tax liabilities	6(25)	92,975	2	88,793	3
2580	Non-current lease liabilities	7	4,032	-	4,334	-
2640	Net defined benefit liability, non-current	6(14)	11,831	-	17,769	-
25XX	Total non-current liabilities		<u>128,298</u>	<u>3</u>	<u>120,375</u>	<u>3</u>
2XXX	Total liabilities		<u>1,966,119</u>	<u>53</u>	<u>1,871,626</u>	<u>55</u>
Equity attributable to owners of parent						
	Share capital	6(15)				
3110	Common stock		450,000	12	450,000	13
	Capital surplus	6(16)				
3200	Capital surplus		713,416	19	720,878	21
	Retained earnings	6(17)				
3310	Legal reserve		225,053	6	217,453	7
3320	Special reserve		61,427	2	52,110	2
3350	Unappropriated retained earnings		163,863	5	108,573	3
	Other equity interest					
3400	Other equity interest		122,444	3	(61,427)	(2)
31XX	Total equity attributable to owners of parent		<u>1,736,203</u>	<u>47</u>	<u>1,487,587</u>	<u>44</u>
36XX	Non-controlling interests		<u>12,194</u>	<u>-</u>	<u>13,877</u>	<u>1</u>
3XXX	Total equity		<u>1,748,397</u>	<u>47</u>	<u>1,501,464</u>	<u>45</u>
	Significant commitments and contingent liabilities	7 and 9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 3,714,516</u>	<u>100</u>	<u>\$ 3,373,090</u>	<u>100</u>

		Year ended December 31			
		2022		2021	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(18) and 7	\$ 3,057,767	100	\$ 2,984,677	100
5000 Operating costs	6(5)(23)(24)	(2,333,891)	(76)	(2,350,681)	(79)
5950 Gross profit from operations		<u>723,876</u>	<u>24</u>	<u>633,996</u>	<u>21</u>
Operating expenses	6(23)(24)				
6100 Selling expenses		(316,704)	(10)	(283,864)	(9)
6200 General and administrative expenses		(118,834)	(4)	(114,929)	(4)
6300 Research and development expenses		(165,063)	(6)	(157,541)	(5)
6450 Expected credit (loss) gain		(2,120)	-	317	-
6000 Total operating expenses		(602,721)	(20)	(556,017)	(18)
6900 Net operating income		<u>121,155</u>	<u>4</u>	<u>77,979</u>	<u>3</u>
Non-operating income and expenses					
7100 Interest income	6(3)(19)	905	-	595	-
7010 Other income	6(2)(20)	14,436	-	13,957	-
7020 Other gains and losses	6(21)	17,024	1	1,282	-
7050 Finance costs	6(22) and 7	(12,162)	-	(6,611)	-
7000 Total non-operating income and expenses		<u>20,203</u>	<u>1</u>	<u>9,223</u>	<u>-</u>
7900 Profit before income tax		141,358	5	87,202	3
7950 Income tax expense	6(25)	(27,534)	(1)	(14,401)	(1)
8200 Profit for the year		<u>\$ 113,824</u>	<u>4</u>	<u>\$ 72,801</u>	<u>2</u>

(Continued)

		Year ended December 31				
		2022		2021		
Items	Notes	AMOUNT	%	AMOUNT	%	
Other comprehensive income						
8311	Gains on remeasurements of defined benefit plans	6(14)	\$ 5,941	-	\$ 4,799	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)	162,536	5	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(1,188)	-	(960)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		167,289	5	3,839	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		25,866	1	(11,947)	-
8399	Income tax relating to components of other comprehensive (losses) income that will be reclassified to profit or loss	6(25)	(5,334)	-	2,329	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		20,532	1	(9,618)	-
8300	Other comprehensive income (loss), net		\$ 187,821	6	(\$ 5,779)	-
8500	Total comprehensive income		\$ 301,645	10	\$ 67,022	2
Profit attributable to:						
8610	Owners of the parent		\$ 114,704	4	\$ 72,162	2
8620	Non-controlling interest		(880)	-	639	-
			\$ 113,824	4	\$ 72,801	2
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 303,328	10	\$ 66,684	2
8720	Non-controlling interest		(1,683)	-	338	-
			\$ 301,645	10	\$ 67,022	2
Earnings per share (in dollars)						
9750	Basic earnings per share	6(26)	\$ 2.55	\$ 1.60		
9850	Diluted earnings per share	6(26)	\$ 2.54	\$ 1.60		

2021	Balance at January 1, 2021	\$ 450,000	\$ 720,878	\$ -	\$ 213,249	\$ 52,283	\$ 81,603	(\$ 52,110)	\$ -	\$ 1,465,903	\$ 13,539	\$ 1,479,442
	Profit for the year	-	-	-	-	-	72,162	-	-	72,162	639	72,801
	Other comprehensive income (loss) for the year	-	-	-	-	-	3,839	(9,317)	-	(5,478)	301	(5,779)
	Total comprehensive income (loss)	-	-	-	-	-	76,001	(9,317)	-	66,684	338	67,022
	Appropriation and distribution of 2020 earnings:	-	-	-	-	-	-	-	-	-	-	-
	Legal reserve appropriated	-	-	-	4,204	-	(4,204)	-	-	-	-	-
	Reversal of special reserve	-	-	-	-	(173)	173	-	-	-	-	-
	Cash dividends to shareholders	-	-	-	-	-	(45,000)	-	-	(45,000)	-	(45,000)
	Balance at December 31, 2021	\$ 450,000	\$ 720,878	\$ -	\$ 217,453	\$ 52,110	\$ 108,573	(\$ 61,427)	\$ -	\$ 1,487,587	\$ 13,877	\$ 1,501,464
2022	Balance at January 1, 2022	\$ 450,000	\$ 720,878	\$ -	\$ 217,453	\$ 52,110	\$ 108,573	(\$ 61,427)	\$ -	\$ 1,487,587	\$ 13,877	\$ 1,501,464
	Profit (loss) for the year	-	-	-	-	-	114,704	-	-	114,704	880	113,824
	Other comprehensive income (loss) for the year	-	-	-	-	-	4,753	21,335	162,536	188,624	803	187,821
	Total comprehensive income (loss)	-	-	-	-	-	119,457	21,335	162,536	303,328	1,683	301,645
	Appropriation and distribution of 2021 earnings:	-	-	-	-	-	-	-	-	-	-	-
	Legal reserve appropriated	-	-	-	7,600	-	(7,600)	-	-	-	-	-
	Special reserve appropriated	-	-	-	-	9,317	(9,317)	-	-	-	-	-
	Cash dividends to shareholders	-	-	-	-	-	(47,250)	-	-	(47,250)	-	(47,250)
	Cash dividends paid by additional paid-in capital	-	(9,000)	-	-	-	-	-	-	(9,000)	-	(9,000)
	Adjustment of ownership interests in subsidiaries	-	-	1,538	-	-	-	-	-	1,538	-	1,538
	Balance at December 31, 2022	\$ 450,000	\$ 711,878	\$ 1,538	\$ 225,053	\$ 61,427	\$ 163,863	(\$ 40,092)	\$ 162,536	\$ 1,736,203	\$ 12,194	\$ 1,748,397

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax		\$	141,358	\$	87,202
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation expense (including depreciation charges on right-of-use assets)	6(6)(7)(23)		62,261		60,795
Amortisation expense	6(23)		9,813		9,550
Expected credit loss (gain)			2,120	(	317)
Financial costs	6(22)		12,162		6,611
Interest income	6(19)	(	905	(	595)
Dividend income	6(20)	(	4,860	(	1,755)
Loss on disposal of property, plant and equipment	6(6)(21)		85		298
Unrealised foreign exchange loss			90		917
Changes in operating assets and liabilities					
Changes in operating assets					
Notes receivable, net			18,530	(	7,442)
Accounts receivable			119,099	(	344,252)
Accounts receivable due from related parties, net			12,749	(	3,453)
Other receivables		(	3,040	)	1,548
Inventories, net		(	291,367	(	79,657)
Prepayments		(	2,386	)	3,724
Changes in operating liabilities					
Current contract liabilities			96,742	(	32,030)
Notes payable		(	184	(	63)
Accounts payable			40,589		90,706
Other payables		(	641	)	20,130
Provisions for liabilities - current			9,054		9,189
Other current liabilities, others			3,079		4,202
Defined benefit liability			3	(	7)
Cash inflow (outflow) generated from operations			224,351	(	174,699)
Dividends received			4,860		1,755
Interest received			903		590
Interest paid		(	11,674	(	6,458)
Income tax paid		(	27,490	(	11,310)
Income tax refunded			4,164		3,497
Net cash flows from (used in) operating activities			195,114	(	186,625)

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at amortised cost		(\$	13,418)	(\$	13,024)
Proceeds from disposal of financial assets at amortised cost			13,226		13,024
Acquisition of property, plant and equipment	6(6)	(	20,725 )	(	49,696)
Proceeds from disposal of property, plant and equipment	6(6)		560		364
Acquisition of intangible assets		(	2,529 )	(	3,905)
Increase in refundable deposits		(	2,518 )	(	977)
Increase in other non-current assets		(	5,461 )	(	10,181)
Increase in prepayment of equipment		(	69,767 )	(	439)
Net cash flows used in investing activities		(	100,632 )	(	64,834)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings	6(27)		3,960,707		4,654,276
Decrease in short-term borrowings	6(27)	(	4,102,879 )	(	4,354,791)
Increase in short-term notes and bills payable	6(27)		350,328		-
Decrease in short-term notes and bills payable	6(27)	(	280,483)		-
Proceeds from long-term debt	6(27)		18,816		-
Repayments of long-term debt	6(27)	(	12,148 )	(	6,033)
Repayment of principal portion of lease liabilities	6(27)	(	10,097 )	(	10,503)
Cash dividends paid	6(16)(17)	(	56,250 )	(	45,000)
Net cash flows (used in) from financing activities		(	132,006)		237,949
Effect of exchange rate changes on cash and cash equivalents			27,749	(	14,421)
Net decrease in cash and cash equivalents		(	9,775 )	(	27,931)
Cash and cash equivalents at beginning of year			268,948		296,879
Cash and cash equivalents at end of year		\$	259,173	\$	268,948

Ablerex Electronics Co., Ltd.
Profit Distribution Table of 2022

(Unit: NTD\$)

Items	Amount	Description
2022 Net income	114,703,979	
Add/Less: 2022 Retain earnings adjustments	4,752,853	Old-version pension actuarial difference, recognition of changes in ownership interest in subsidiaries
2022 Net profit subtotal	119,456,832	
Less: provision of legal reserve (10%)	-11,945,683	
Add: Special surplus reserve	61,427,565	Other Stockholder's Equity- (Reversal of Exchange Differences on Translation of Foreign Financial Statements)
Add: 2021 undistributed profit	44,405,552	
2022 Distributable profit	213,344,266	
Less: cash dividend to shareholders	90,000,000	NTD 2.00 cash dividend per share
Undistributed earnings	123,344,266	

Chairman: Steven Hsu

Manager: M.Z. Hwang

Accounting: Emma Liao

	Rules of Procedure for Board of Directors Meetings	File No.	CA-043
		Issue Date	2022/12/26
		Version	1

Article 1 (Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 (Scope of these Rules)

With respect to the board of directors meetings ("board meetings") of this Corporation, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3 (Convening and notice of board meetings)

The board of directors shall meet at least quarterly.

A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4 (Meeting notification and meeting materials)

The designated unit responsible for the board meetings of this Corporation shall be CEO office. The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5 (Preparation of attendance book and other documents; attendance by proxy)

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with this Corporation's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6 (Principles for determining the place and time of a board meeting)

A board meeting shall be held at the premises and during the business hours of this Corporation, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7 (Chair and acting chair of a board meeting)

Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair. If the board of directors is convened by majority of the directors in accordance with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of this Corporation Act, the directors shall elect one of them to serve as the chairman.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 8 (Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by this

Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9 (Documentation of a board meeting by audio or video)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of this Corporation.

Article 10 (Agenda items)

Agenda items for regular board meetings of this Corporation shall include at least the following:

1. Matters to be reported:

- A. Minutes of the last meeting and action taken.
- B. Important financial and business matters.
- C. Internal audit activities.
- D. Other important matters to be reported.

2. Matters for discussion:

- A. Items for continued discussion from the last meeting.
- B. Items for discussion at this meeting.

3. Extraordinary motions.

Article 11 (Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 5 shall apply *mutatis mutandis*.

Article 12 (Matters requiring discussion at a board meeting)

The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:

1. The Corporation's business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director of this Corporation shall attend the meeting in person. With

respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 13 (Voting-I)

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at this Corporation's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14 (Voting-II and methods for vote monitoring and counting)

Except where otherwise provided by the Securities and Exchange Act and this Corporation Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

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

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 15 (Recusal system for directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at

the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of this Corporation Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.

Article 16 (Meeting minutes and sign-in matters)

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.

2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of this Corporation.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

Article 17 (Principles with respect to the delegation of powers by the board)

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or this Corporation's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific, and carried out in accordance with the principles below:

1. Sign contracts, memorandums and letters of intent on behalf of this Corporation.
2. This Corporation's business strategy and business items.
3. The organizational structure of this Corporation.
4. Formulation of internal rules and regulations of this Corporation.
5. Protection of this Corporation's intellectual property rights and patent application.
6. Other functions and powers authorized by the board of directors to the chairman.

Article 18 (Supplementary provisions)

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

Articles of Incorporation

Amendments reference table (E18 20230627)

Amended	Original	Description
<p>Article 7</p> <p>The total capital stock of the Corporation shall be in the amount of <u>2,000,000,000</u> New Taiwan Dollars, divided into <u>200,000,000</u> shares, at ten New Taiwan Dollars each, and may be paid-up in installments. Unissued of the total capital shares, will authorize the Board to issued split.</p>	<p>Article 7</p> <p>The total capital stock of the Corporation shall be in the amount of <u>800,000,000</u> New Taiwan Dollars, divided into <u>80,000,000</u> shares, at ten New Taiwan Dollars each, and may be paid-up in installments. Unissued of the total capital shares, will authorize the Board to issued split.</p>	<p>In order to meet the company's needs for future energy storage business development.</p>
<p>Article 8</p> <p>The share certificates of the Corporation shall all be name-bearing share certificates and must be affixed with the signature or <u>personal seals of the director representing the company</u>. And issued must be in accordance with the Company Law and relevant rules and regulations of the Republic of China.</p> <p>For the new shares to be issued by this Corporation offering, may print a consolidated share certificate representing the total number of the new shares to be issued at the same time of issue, or may be exempted from printing any share certificate for the shares issued, other securities are the same.</p> <p>For the shares to be issued in accordance with the provision of the preceding Paragraph, this Corporation shall appoint a centralized securities custody enterprise/ institution to placed, or to make recordation of the issue of such shares.</p>	<p>Article 8</p> <p>The share certificates of the Corporation shall all be name-bearing share certificates and must be affixed with the signature or seal by <u>three members</u> of the Board. And issued must be in accordance with the Company Law and relevant rules and regulations of the Republic of China.</p> <p>For the new shares to be issued by this Corporation offering, may print a consolidated share certificate representing the total number of the new shares to be issued at the same time of issue, or may be exempted from printing any share certificate for the shares issued, other securities are the same.</p> <p>For the shares to be issued in accordance with the provision of the preceding Paragraph, this Corporation shall appoint a centralized securities custody enterprise/ institution to placed, or to make recordation of the issue of such shares.</p>	<p>In accordance with Paragraph 1 of Article 162 amended in accordance with the Company Act.</p>
<p>Article 28</p> <p>...</p> <p>the fifteenth Amendment of Jun 18, 2019</p> <p>the sixteenth Amendment of Aug 18, 2021</p> <p>the seventeenth Amendment of Jun 23, 2022</p> <p><u>the eighteenth Amendment of June 27, 2023</u></p>	<p>Article 28</p> <p>...</p> <p>the fifteenth Amendment of Jun 18, 2019</p> <p>the sixteenth Amendment of Aug 18, 2021</p> <p>the seventeenth Amendment of Jun 23, 2022</p>	<p>Noted the date of amendment</p>

Attachment 8: The information
for candidate of Directors and
Independent Directors

Candidate of Director	1	2	3	4	5	6
Name	Wen Hsu	Y.A. Chen	J.S. Wang/ Legal Rep. of UIS Co., Ltd.	S.G. Wang	J.K. Sung	James Ho
Number of shares held	9,638,177	2,485,763	14,059,502	-	200,921	-
Education	Honor Ph.D of KUAS	Master of Institute of Transportation Engineering, NCTU	Electronic Engineering Department of Universal Engineering College	Civil Engineering, Chung Yuan University	Kaohsiung Institute of Technology Electrical Engineering Department	PhD. and Master of Economics , University of Pittsburgh
	Master of Electronic Engineering, KUAS	Department of Telecommunication Engineering, NCTU	-	Corporation education with Civil Engineering research, NTU	Master of Electrical Engineering, KUAS	Master of Institute of Transportation Engineering, NCTU
	-	-	-	Planning Class of the Public Administration, NCCU	-	Department of Shipbuilding Engineering, NCKU
Experience	President of PEC Technology Co., Ltd.	Supervisor of UIS Co., Ltd.	Senior Researcher at ASUS Computer Da Vinci Laboratory	Captain of the Taipei Waterworks Division Engineering Corps	Engineer of JinYing Electronics Co.	President of CDIB Capital Management Corporation
	-	Chairman of UIS Abler Electronics Co., Ltd.	-	Deputy Director, Taipei Waterworks Division	-	Director of CDIB
	-	Chairman of Ablerex Electronics Co., Ltd.	-	Chairman of the Underground Pipeline Technology Association of R.O.C.	-	Supervisor of CDIB
	-	-	-	-	-	Chairman of Pharma Engine, Inc.
	-	-	-	-	-	Deputy Executive Secretary of the National Development Fund Management Committee of the Executive Yuan
Current position	Chairman of Ablerex Electronics Co., Ltd.,	Vice Chairman of Ablerex Electronics Co., Ltd.,	Electronic R&D VP of UIS Co., Ltd.	Independent Director of Ablerex Electronics Co., Ltd.	Director of Ablerex Electronics Co., Ltd.	Director of Ablerex Electronics Co., Ltd.

Candidate of Director	1	2	3	4	5	6
Name	Wen Hsu	Y.A. Chen	J.S. Wang/ Legal Rep. of UIS Co., Ltd.	S.G. Wang	J.K. Sung	James Ho
	CEO of Ablere Electronics (Suzhou) Co., Ltd.,	Chairman of Ablere Electronics (Suzhou) Co., Ltd.,	-	Honorary Chairman of the Republic of China Underground Pipeline Technology Association,	FAE V.P. of Ablere Electronics Co., Ltd.	Chairman of Hwa-Sun Asset Management Co., Ltd.
	Director of Ablere corporation,	Director of Ablere Electronics (Samoa) Co., Ltd.	-	Procurement Selection Committee of Public Works Committee of Executive Yuan	-	Director of Chen-Yin International Development Co., Ltd.
	Director of Ablere International Corp. Ltd.,	Director of Ablere Overseas Corp Ltd.	-	-	-	Director of Hotran Resource Development Ltd.
	Director of Ablere Electronics (S) PTE Ltd.	Director of Ablere Electronics (Beijing) Corp Ltd.,	-	-	-	Independent Director of AMPACS Corporation
	Director of Ablere Electronics U.K. Ltd.	Director of UIS Co., Ltd.	-	-	-	Director of Ta Ya Electric Wire & Cable Co., Ltd
	Director of Ablere Electronics Italy s.r.l.	Director of Z-COM, incl.,	-	-	-	Chairman of CDIB capital management corporation
	Director of Ablere Electronics (Beijing) Co., ltd.	Director, Eco Energy Corporation	-	-	-	Chairman of CDIB Capital Healthcare Ventures Limited
	-	-	-	-	-	Chairman of CDIB Venture Capital Corporation
	-	-	-	-	-	Chairman of CDIB Capital Creative Industries Limited
	-	-	-	-	-	Chairman of CDIB Private Equity (China) Corporation
	-	-	-	-	-	Chairman of CDIB Yida Private Equity (Kunshan) Co. Ltd.
						Director of CDIB Private Equity (Kunshan) Corporation

Candidate of Independent Director	1	2	3
Name	Y.J. Ding	Y.L. Su	J.C. Hsieh
Number of shares held	-	-	-
Education	Indiana University/Ph.D	Ph.D. in System Engineering, Georgia Institute of Technology	Doctor of Philosophy (Ph.D.), Institute of Land Economics, National Chengchi University
	Master of Economics, Indiana University	Master of Computer Science, Southern Illinois University	Master of Arts (M.A.), Institute of Urban Planning, National Chung Hsing (Taipei) University
	Economics, Chinese Culture University	Department of Psychology, NTU	Bachelor of Arts (B.A.), Department of Land Economics and Administration, National Chung Hsing (Taipei) University
Experience	President of IBF Financial Holdings	CEO of General Energy Solutions Inc.	Consultant of Square Development Co., Ltd.
	Chairman of Waterland Securities Co., Ltd.	CEO of General Administration office, Arima Group	Consultant of Cin Ly Engineering Consultants, Inc.
	Chairman of IBF Securities	President of Communication Business Group, LITE-ON Technology	Instructor of Chong De Cultural Youth Club, Feng Chia University
	Chairman of IBF Futures	Deputy Director of Information and Communication Technology, ITRI	-
	Chairman & CEO, Fubon Securities Investment, Services Co., Ltd., Chief Economist, Fubon Financial Holding Co., Ltd.	Associate Professor of Industry Engineering, NCTU	-
	President of Fubon Investment	MTS Bell Labs	-
	President of International Trust	Visiting Associate Professor of Information Engineering, NTU	-
	Citi Securities Vice President / Head of Research and Chief Economist	-	-
	McKinsey & Company Greater China Manager / Head of Research	-	-
	Associate Professor, Institute of Enterprise Management, National Taiwan University of Science and Technology (School of Engineering and Technology)	-	-
Current position	Independent Director of Ablerex Electronics Co., Ltd.	Independent Director of Ablerex Electronics Co., Ltd.	Full-time Professor, Department and Institute of Land Management, Feng Chia University
	-	Chairman of Surplux Energy Inc.	Committee Member, land-and-urban related Review Committees of Executive Yuan, or Local Cities and Counties
	-	Legal Rep. Director of Arima Communications	Committee Member, Land Administration Agent Review Committees of Examination Yuan; Drafter, Grader, or Drafter-grader of examination

Candidate of Independent Director	1	2	3
Name	Y.J. Ding	Y.L. Su	J.C. Hsieh
			subjects on Land Administration each year, Examination Yuan.
	-	Chairman of Arima Lasers Corporation (ALC)	-
		Independent Director of Z-COM, Inc.	

List of Restrictions on Prohibition of Competition for Directors
(Including Independent Directors) Candidates

Title	Name	concurrent company name and position
Director	Wen Hsu	General Manager of Ablere Electronics (Suzhou) Co., Ltd., Director of Ablere corporation, Director of Ablere International Corp. Ltd., Director of Ablere Electronics (S) PTE Ltd. Director of Ablere Electronics U.K. Ltd. Director of Ablere Electronics Italy s.r.l. Director of Ablere Electronics (Beijing) Co., ltd.
Director	Y.A. Chen	Chairman of Ablere Electronics (Suzhou) Co., Ltd., Director of Ablere Electronics (Samoa) Co., Ltd. Director of Ablere Overseas Corp Ltd. Director of Ablere Electronics (Beijing) Corp Ltd., Director of UIS Co., Ltd. Director of Z-COM, incl., Director, Eco Energy Corporation
Director	J.S. Wang	Electronic R&D VP of UIS Co., Ltd.
Director	S.G. Wang	Honorary Chairman of the Republic of China Underground Pipeline Technology Association, Procurement Selection Committee of Public Works Committee of Executive Yuan
Director	J.K. Sung	None
Director	J.H. Ho	Chairman of Hwa-Sun Asset Management Co., Ltd., Director of Chen-Yin International Development Co., Ltd., Director of Hotran Resource Development Ltd., Independent Director of AMPACS Corporation, Ind. Director of Ta Ya Electric Wire & Cable, Chairman of CDIB Capital Healthcare Ventures Limited, Chairman of CDIB Venture Capital Corporation, Chairman of CDIB Capital Creative Industries Limited, Chairman of CDIB Private Equity (China) Corporation, Chairman of CDIB Yida Private Equity (Kunshan) Co. Ltd., Director of CDIB Private Equity (Kunshan) Corporation

Title	Name	concurrent company name and position
Independent Director	Y.J. Ding	None

Independent Director	Y.L. Su	Chairman of Surplus Energy Inc., Legal Rep. Director of Arima Communications, Chairman of Arima Lasers Corporation (ALC), Independent Director of Z-COM, Inc.
Independent Director	J.C. Hsieh	Full-time Professor, Department and Institute of Land Management, Feng Chia University Committee Member, land-and-urban related Review Committees of Executive Yuan, or Local Cities and Counties Committee Member, Land Administration Agent Review Committees of Examination Yuan; Drafter, Grader, or Drafter-grader of examination subjects on Land Administration each year, Examination Yuan.

Shareholding of Directors

1. Paid-in Capital of the Company is NTD\$450,000,000, and the amount of total issued shares are 45,000,000.
2. Pursuant to Article 26 of the Securities and Exchange Act, the total shares of nominal stocks held by the directors of the Company shall not be less than 3,600,000 shares.
3. On actual, until the share register closed date (April 28, 2023) of the shareholders' meeting, the total shares of nominal stocks held by the directors are 26,384,363 shares. The total shares amount of nominal stocks held by the directors are 58.63% of the total issued shares. The individual Shareholding (Shares) of directors as follow:

Shareholding of Directors

Position	Name	Current Shareholding (Shares)	Shareholding ratio (%)
Chairman	Steven Hsu	9,638,177	21.42%
Director	Y.A. Chen	2,485,763	5.52%
Director	UIS Co. Legal person director B.C. Chen	14,059,502	31.24%
Director	UIS Co. Legal person director S.C. Tseng		
Director	Tim Sung	200,921	0.45%
Director	James Ho	0	0.00%
Independent Director	Y.J. Ding	0	0.00%
Independent Director	S.G. Wang	0	0.00%
Independent Director	Y.L. Su	0	0.00%

Impact of stock dividend issuance on the Company's business performance and earnings per share :

The surplus distribution proposal to be submitted to the general meeting of shareholders will only allocate cash dividends, without arbitrage and free allotment. In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public companies" , the company does not need to disclose the 2023 financial Forecast information, so the relevant information on the impact of changes in business performance, earnings per share and shareholder return on investment is not applicable for it.

	Rules and Procedures of Shareholders' Meeting	Doc. No.	CA-016
		Date	2022/6/23
		Version	8

Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

1. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
- 1-1. Changes the way to convene the shareholders' meeting shall be resolved by the Board of Directors and shall be made no later than sending the notice of the meeting.
2. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.
3. This Corporation shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. However, if the Company's paid-up capital at the end of the most recent fiscal year reaches NT\$10 billion or more, or more than 30% of the total foreign and Chinese shareholding ratios recorded in its shareholders' book at the ordinary shareholders' meeting in the most recent fiscal year, the transmission of electronic files shall be 30 days prior to the ordinary shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be

displayed at this Corporation and the professional shareholder services agent designated place.

- 3-1. The Handbook and Supplementary Information for the Meeting referred to in the preceding paragraph shall be provided to shareholders for reference on the day of the shareholders' meeting in following ways:
- (1). When the entity shareholders' meeting is convened, it shall be issued at the shareholders' meeting.
 - (2). When a video-assisted shareholders' meeting is held, it shall be distributed on the place of the shareholders' meeting and transmitted to the video conference platform by electronic files.
 - (3). When a video shareholders' meeting is held, the electronic file shall be transmitted to the video conference platform.
4. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
5. Election or dismissal of directors, amendments to the articles of incorporation, Capital reduction, application for suspension of public offering, directors' competition permission, surplus capital increase, capital accumulation capital increase, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the main content shall be enumerated and explained in the convening matter, and shall not be raised by an extraordinary motion.
- 5-1. The general shareholders meeting has stated the full re-election of the directors and the date of appointment. After the re-election of the shareholders meeting is being completed, the meeting may not change its appointment date by extraordinary motion or other ways.
6. A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, the shareholders' proposal is a proposal to urge the company to promote the public interest or fulfill its social responsibility, and the board of directors still has to include it in the proposal. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
- Shareholders may submit proposed proposals to urge the company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Law. Any proposal with more than one item may be excluded in the proposal.

7. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals by written or electronic, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
8. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
9. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

1. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
2. shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
4. After the power of attorney is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting by video conference, he shall notify the Company in writing to revoke the proxy two days before the meeting of the shareholders' meeting. In the event of revocation within the dead line, the voting rights of the proxy representative shall be present and exercised.

Article 5

1. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
2. When the Company convenes a video shareholders' meeting, it shall not be restricted by the

place of the meeting mentioned in the preceding paragraph.

Article 6

1. This Corporation shall specify in its Shareholders, Solicitors, Trustees (hereinafter referred to as Shareholders) meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. The shareholders shall be accepted and registered on the video platform of the shareholders' meeting 30 minutes before the meeting, and the shareholders who complete the registration shall be deemed to have attended the shareholders' meeting in person.
3. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
4. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
6. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
7. If the shareholders' meeting is convened by video, and the shareholders wish to attend by video, they shall register with the Company two days before the meeting.
8. To convene the video shareholders' meeting, the Company shall upload the handbook of meeting, annual report and other relevant information to the video platform of the shareholders' meeting at least 30 minutes before the meeting, and continue to disclose it until the end of the meeting.

Article 6-1

The Company shall convene a video Shareholders' Meeting and shall specify the following matters in the Notice of the Shareholders' Meeting:

1. Methods for shareholders to participate in video meetings and exercise their rights.
2. The handling of blockages arising from the video conference platform or the participation of video parties due to natural disasters, incidents or other force majeure circumstances includes at least the following matters:
 - (1) The continuous preceding blockage has not been solved so as to postpone or to continue the meeting, and the date to postpone or to continue the meeting if necessary.

(2) Shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponing or continuing of the meeting.

(3) If the video-assisted shareholders' meeting cannot be continued, after deducting the number of shares participating in the shareholders' meeting by video, and the total number of shares present at the shareholders' meeting reaches the statutory quota of the shareholders' meeting, the shareholders' meeting shall continue, and the shareholders participating in the shareholders by video shall be included in the total number of shareholders' shares present, and all the proposals of the shareholders' meeting shall be regarded as abstention.

(4) In the event that the results of all motions have been announced, but no provisional motions have been made, the manner of handling them shall be handled.

3. A video shareholders' meeting shall be convened and shall specify the appropriate alternative measures provided to shareholders who may have difficulties participating in the shareholders by video.

Article 7

1. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
2. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
3. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
4. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
5. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

1. This Corporation, beginning from the time it accepts shareholder attendance registrations,

- shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
 3. If the shareholders' meeting is convened by video meeting, the company shall keep records of the shareholders' registration, check in, ask question, voting and vote counting, and record the whole process of the video conference continuously and uninterruptedly.
 4. The Company shall properly keep the materials and audio and video recordings mentioned in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted with the video conference service for preservation.
 5. If the shareholders' meeting is convened by video conference, the Company should make audio and video recordings of the back-end operation interface of the video conference platform.

Article 9

1. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and the number of shares registered on the video conferencing platform plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chair shall call the meeting to order at the appointed meeting time. Relevant information such as the number of non-voting rights and the number of shares present will be announced at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
3. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the shareholders' meeting is convened by video meeting, the Company shall also announce to adjourn the meeting on the video platform of the shareholders' meeting.
4. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another

shareholders' meeting shall be convened within 1 month. If the shareholders' meeting is convened by video meeting, and the shareholders wish to participate in the meeting by video, they shall re-register with the Company in accordance with Article 6.

5. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant matters (including extempore motions and amendments to the original motions) shall be decided on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote and an adequate voting time.

Article 11

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
3. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has

the floor; the chair shall stop any violation.

5. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
6. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
7. A video shareholders' meetings is convened and shareholders who participate by video may, after the chairman announces to call the meeting, until the announcement of the adjournment of the meeting, ask questions in words on the video platform of the shareholders' meeting, and not exceed two questions on each proposal are allowed, two hundred words per each and is not applicable for provisions of items 1 to 5.
8. If the questions asked in the preceding paragraph do not violate the provisions or do not exceed the scope of the proposal, it is advisable to disclose the questions on the video platform of the shareholders' meeting.

Article 12

1. Voting at a shareholders meeting shall be calculated based the number of shares.
2. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
3. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
4. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
2. When the Corporation holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by

correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or by video conference, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
5. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
6. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
7. The Company convenes a video Shareholders' Meeting, and the shareholders who participate by video shall vote on the proposals and the voting on the election proposals through the

video platform after the Chairman announces to convene the meeting, and shall complete the voting before the Chairman announces the end of the voting, and shall be deemed to abstain when time out.

8. When the shareholders' meeting is convened by video conference, and the voting and election results shall be counted in one lump sum after the chairman announces the voting.

9. When the Company convenes a video-assisted shareholders' meeting, a shareholder who has registered to attend the shareholders' meeting by video in accordance with Article 6 shall, if he wishes to attend the entity shareholders' meeting in person, shall deregister the registration in the same manner two days before the shareholders' meeting;

10. A person who exercises the right to vote in writing or electronically, without revoking his expression of intent, and participates in the shareholders' meeting by video, shall not exercise the right to vote on the original proposal or propose amendments to the original proposal or to exercise the right to exercise the right to vote on the original proposal except for provisional motions.

Article 14

1. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected and the list of failing to be elected directors and supervisors and the number of voting rights obtained
2. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

1. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
2. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (include summary of volts), once if the election for directors, the number of votes for each candidate should be disclosed and shall be retained for the duration of the existence of this Corporation.
4. Where a shareholders' meeting is convened by video, the minutes of the shareholders' meeting shall, in addition to the matters to be recorded in accordance with the preceding provisions, and shall record the time from the beginning of the shareholders' meeting, the method of

convening the meeting, the name of the chairman and the minute taker, and the handling method and handling situation of the video conference platform or the participation of the video conference platform or by video in the event of an blockage due to natural disasters, incidents or other force majeure circumstances.

5. The Company shall convene a video shareholders' meeting, besides that in accordance with the provisions of the preceding paragraph, and shall indicate in the proceedings that there will be alternative measures provided by shareholders who have difficulties participating in the shareholders by video.

Article 16

1. On the day of a shareholders' meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares and the number of shares attended by shareholders in writing or electronically obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting. When the shareholders' meeting is convened by video conference, the Company shall upload the above information to the video platform of the shareholders' meeting at least 30 minutes prior to the meeting and continue to disclose it until the end of the meeting.
- 1.1 When the Company convenes a video Shareholders' Meeting and announces to convene the meeting, the total number of shareholders' shares present shall be disclosed on the video platform.The same shall apply if the total number of shares and voting rights of the shareholders present at the meeting is also counted.
2. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

1. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.
2. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

1. When a meeting is in progress, the chair may announce a break based on time considerations.

If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

2. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19

If the shareholders' meeting is convened by video meeting, the Company shall immediately disclose the voting results of each proposal and the election results on the video platform of the shareholders' meeting in accordance with the regulations after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairman announces the adjournment of the meeting.

Article 20

When the Company convenes a video shareholders' meeting, the Chairman and the minute taker shall be at the same place, and the Chairman shall announce the address of that place at the time of the meeting.

Article 21

1. If the shareholders' meeting is convened by video conference, the Company may provide the shareholders with a simple connection test before the meeting, and provide relevant services in real time before and during the meeting to assist in handling the technical issues of communication.
2. If the shareholders' meeting is convened by video meeting, the Chairman shall, at the time of announcing the meeting, separately announce that, besides the matter stipulated in Article 44-20(4) of the [Regulations Governing the Administration of Shareholder Services of Public Companies](#), which does not require an extension or continuation of the meeting, the provisions of Article 182 of the Company Act shall not apply to the date of postponement or renewal of the meeting before the Chairman announces the adjournment of the meeting due to natural disasters, events or other force majeure circumstances that cause blockages to the participation of the video conference platform or by video participation for more than 30 minutes.
3. The meeting shall be postponed or renewed in the event of the preceding paragraph, and shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponement or renewal of the meeting.
4. The number of shares, exercised voting rights and voting rights of shareholders who have registered to participate in the original shareholders' meeting by video and completed their

registration in accordance with the provisions of subsection 2 shall be included in the total number of shares, voting rights and voting rights of the shareholders present at the original shareholders' meeting.


5. When postponing or renewing the shareholders' meeting in accordance with the provisions of paragraph 2, there is no need to repeat the discussion and resolution of the proposal that has completed the voting and counting the votes, and announces the voting results or the list of directors and supervisors elected.
6. If the Company convenes a video-assisted shareholders' meeting and in case it cannot be running as paragraph 2, once the total number of shares present deduct the shares in video still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue and no need to postpone or renew the meeting in accordance with the provisions of paragraph 2.
7. In the event of a meeting that should continue in the preceding paragraph, the number of shares present at a shareholders' meeting shall be included in the total number of shares of the shareholders present, but all the proposals of the shareholders' meeting shall be deemed to be abstained.
8. The Company shall postpone or renew the meeting in accordance with the provisions of paragraph 2, and shall handle the relevant pre-operations in accordance with the provisions of Item 7 of Article 44-20 of the [Regulations Governing the Administration of Shareholder Services of Public Companies](#), in accordance with the date of the original shareholders' meeting and the provisions of each article.
9. For the period specified in the second paragraph of Article 12 and The third paragraph of Article 13 of the Rules for the Use of Power of Attorney by the Company attending the Shareholders' Meeting, and Item 2 of Article 44-5, Article 44-15 and Item 1 of Article 44-17 of the Guidelines for the Handling of Shares of Publicly Issued Stock Companies, the Company shall postpone or renew the date of the shareholders' meeting in accordance with the provisions of Article 2.

Article 22

When the Company convenes a video shareholders' meeting, it shall provide appropriate alternative measures to shareholders who will have difficulties in attending the shareholders by video.

Article 23

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

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Section I General Provisions

Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 盈正豫順電子股份有限公司 in Chinese, and ABLEREX ELECTRONICS CO., LTD. in English.

Article 2 The scope of business of the Corporation shall be as follows:

1. CB01020 Office Machines Manufacturing
2. CC01010 Electric Power Supply, Electric Transmission and Power Distribution and Machinery Manufacturing
3. CB01010 Machinery and Equipment Manufacturing
4. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
5. CC01060 Wired Communication Equipment and Apparatus Manufacturing
6. CC01070 Telecommunication Equipment and Apparatus Manufacturing
7. CC01080 Electronic Parts and Components Manufacturing
8. CC01110 Computers and Computing Peripheral Equipments Manufacturing
9. CE01010 Precision Instruments Manufacturing
10. F113010 Wholesale of Machinery
11. F113030 Wholesale of Precision Instruments
12. F113050 Wholesale of Computing and Business Machinery Equipment
13. F113070 Wholesale of Telecom Instruments
14. F118010 Wholesale of Computer Software
15. F119010 Wholesale of Electronic Materials
16. F213030 Retail sale of Computing and Business Machinery Equipment
17. F213040 Retail Sale of Precision Instruments
18. F213060 Retail Sale of Telecom Instruments
19. F213080 Retail Sale of Machinery and Equipment
20. F218010 Retail Sale of Computer Software
21. F219010 Retail Sale of Electronic Materials
22. F401010 International Trade

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|-----|---------|---|
| 23. | I501010 | Product Designing |
| 24. | JA02010 | Electric Appliance and Audiovisual Electric Products Repair Shops |
| 25. | E601010 | Electric Appliance Construction |
| 26. | F113110 | Wholesale of Batteries |
| 27. | F213110 | Retail Sale of Batteries |
| 28. | CC01090 | Manufacture of Batteries and Accumulators |
| 29. | JE01010 | Rental and Leasing ° |
| 30. | E606010 | Power Consuming Equipment Inspecting and Maintenance |
| 31. | ZZ99999 | All business items that are not prohibited or restricted by law, except those that are subject to special approval. |

Article 3 The Corporation shall have its head office in New Taipei (City), Taiwan, Republic of China, to setup representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Corporation deems it necessary to carry out any or all of its activities by resolution of the board.

Article 4 For business needs, the Corporation may provide endorsement and guarantee to the other companies. The operations shall be in accordance with the Operational Procedures for Endorsements and Guarantees.

Article 5 The total amount of the Corporation's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-up capital as provided in Article 13 of the Company Law. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.

Article 6 Public announcements of the Corporation shall be made in accordance with the Company Law and other relevant rules and regulations of the Republic of China.

Section II Capital Stock

Article 7 The total capital stock of the Corporation shall be in the amount of 800,000,000 New Taiwan Dollars, divided into 80,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments.
Unissued of the total capital shares, will authorize the Board to issued split.

- Article 8 The share certificates of the Corporation shall all be name-bearing share certificates, and must be affixed with the signature or seal by three members of the Board. And issued must be in accordance with the Company Law and relevant rules and regulations of the Republic of China.
- For the new shares to be issued by this Corporation offering, may print a consolidated share certificate representing the total number of the new shares to be issued at the same time of issue, or may be exempted from printing any share certificate for the shares issued, other securities are the same.
- For the shares to be issued in accordance with the provision of the preceding Paragraph, this Corporation shall appoint a centralized securities custody enterprise/ institution to placed, or to make recordation of the issue of such shares.
- Article 9 Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.
- Article 10 All administration of shareholder services shall follow the “Regulations Governing the Administration of Shareholder Services of Public Companies” unless specified otherwise by law and securities regulations.
- Article 11 The regulation of shareholder services administration shall comply with relevant provisions of the Company Law and relevant rules and regulations of the Republic of China.

Section III Shareholders' Meeting

- Article 12 Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened, by the Board of Directors, in accordance with the relevant laws, rules and regulations of the Republic of China.
- Shareholders' meetings convene notice may be given in electronic form, the convene procedure shall follow Article 172 of the Company Act.
- Article 12-1 When the shareholders' meeting is held, it may be held by video conference or

other ways announced by the central competent authority.

When a shareholders meeting is held, if it is a video conference, the shareholders who participate in the meeting by video conference will be deemed to have attended the meeting in person.

- Article 13 If a shareholder is unable to attend a meeting, may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy. Regulations for proxy to attend shall be in accordance with Article 177, 177-1 & 177-2 of the Company Act. And operations must be in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
- Article 14 Each share of stock shall be entitled to one vote. But it had no right to vote, conform restricted or Article 179 of Company Act of the circumstances.
- Article 15 Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 16 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.
- The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may effected by means of electronic transmission.
- With regard to a company offering its shares to the public, the distribution of the minutes of shareholders' meeting as required in Paragraph One of this Article may be effected by means of a public notice.
- The minutes of shareholders' meeting shall record the date and place, the number of the shareholders present, total number of shares represented by the shareholders, total number of the voting rights at the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.
- The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 hereof, the

minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 17 The chairman of the board of directors shall be appointed in accordance with Article 182-1 and Article 208, Paragraph 3 of Company Act.

Article 17-1 If this corporation needs to cancel shares have been issued in public, shall to the meeting of shareholders' for review and approval by a resolution, and to file an application with the competent authority. This Article can't be changed whether during the emerging stock period or share have been exchange-listed and OTC-listed.

Section IV Directors and Audit Committee

Article 18 The Corporation shall have seven to nine directors. The number of directors is authorized by the board of directors for a term of three years. They shall be elected by the shareholders' meeting from among the persons with disposing capacity. If they are re-elected, they may be extended. Until the re-election of the directors on board. When the directors are short of one-third of the total number of directors, they should be re-elected immediately.

In accordance with the provisions of the Securities Exchange Act, the Company has independent directors in the number of directors in the preceding paragraph, and the number of independent directors is at least three.

If the board chairperson and the general manager or a person holding an equivalent position of the company are the same person or are spouses or relatives within the first degree of kinship, the company shall appoint not less than 4 independent directors by 31 December 2023. However, if the number of board seats exceeds 15, the number of independent directors so appointed shall be not than less than 5, and a majority of the directors may not serve concurrently as an employee or managerial officer. If the company's paid-in capital is less than NT\$600 million, however, it is allowed to complete the appointment by 31 December 2025.

Directors (include independent directors) shall be elected by adopting candidate nomination system as specified in Article 192-1 of the Company Act. Independent directors shall be elected in accordance with the rules prescribed by the competent authority of securities.

The total shareholding ratio of all directors of the company shall be handled in accordance with the provisions of the competent securities authority.

Article 18-1 The Company's Directors shall be elected through cumulative voting, each share has the same voting rights equal to the number of Directors to be elected, and a shareholder may cast all his/her voting rights to one candidate or among several candidates; those candidates receiving more voting rights shall be elected as Directors.

If there is a need to amend the elect rules about Directors and Supervisors, shall be comply in accordance with Article 172 of Company Act, and shall be enumerated and explained a comparison chart on the newly amended and the old clauses in the

Article 18-2 notice to convene the shareholders meeting.

In accordance with the provisions of Article 14 paragraph 4 of the Securities Exchange Law, the Company shall set up an audit committee from the time of the re-election of the eighth director. The audit committee shall be composed of all independent directors, the number of which shall not be less than three, one of whom shall be the convener and at least one person should have accounting or financial expertise. The provisions of the Articles of Association, the Securities Exchange Act, the Company Law and other laws for the supervisor are permitted by the Audit Committee. When the audit committee's term of office, powers, rules of procedure, and exercise of powers, the company shall provide resources and other matters, and set the rules of the audit committee.

Article 19 The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors and Vice chairman can be elected from each other in the same way. The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors; and shall externally represent the Corporation.

Article 20 Unless as otherwise provided for in Company Act, the meeting of the board of directors shall be attended by a majority members, the resolution shall be adopted by a majority of the directors at the meeting. The meeting of the board of directors shall be convened by chairman, at least once per quarter.

In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

In case a meeting of the board of directors is proceeded by via visual communication network, then the directors taking part in such a visual

communication meeting shall be deemed to have attended the meeting in person.

Article 20-1 In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. The notice set forth may be sent it by means of written, e-mail or fax to each director and supervisor.

Article 21 Power and authority of the board of directors:

1. Deliberation the business policy and the long-term develop plan,
2. Deliberation and Supervise annual business plan,
3. To deliberate the budget and financial statements,
4. To deliberate the Corporation has a need to reduce and to increase its capital stock,
5. To deliberate the surplus earning distribution or loss off-setting proposals,
6. To deliberate the major contracts,
7. To deliberate the change of this Article of incorporation,
8. To deliberate the organization regulations and major rules of systems of this corporation,
9. To deliberate the major capital expenses,
10. To deliberate the establishment or withdraw of branch office,
11. Appointment and removal of president and vice president of this Corporation,
12. To deliberate the major interested party transactions,
13. To execute the matters of the resolutions of the shareholders' meeting,
14. The other power in accordance with Company Act.

Article 21-1 In the course of a director executing his or her duties, this Corporation shall pay the remuneration for it. The remuneration shall be consideration about the level of participation, value of contribution, industry level of domestic and foreign, will authorize the Board for approval by a resolution.

Article 21-2 The Corporation may buy liability insurance for directors. The board of directors may be authorized to resolutions about insure amounts and matters.

Article 22 Unless otherwise provided for in Company Act and Articles of incorporation, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. Minutes shall be taken of the proceedings of the meeting of the board of directors, which shall be affixed with

the signature or seal of the chairman of the meeting and shall be distributed to all directors of the company within twenty (20) days after the close of the meeting. Minutes with the attendance list bearing the signatures of directors present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year. Matters pertaining to election or discharge of directors, shall be described in the shareholders' meeting notice, and shall not be brought up as extemporary motions.

Article 23 (Be deleted)

Section V Management of the Corporation

Article 24 The Corporation may nomination one President by chairman. And Corporation President may appoint one or more Vice President(s) or such other officers. Article 29 of Company Act shall apply, mutatis mutandis, to the appointment, discharge and remuneration of all the managerial personnel set forth in the preceding Paragraph.

Section VI Accounting

Article 25 At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to Audit Committee for their auditing not later than the 30th day prior to the meeting date of a general meeting of shareholders:

1. The business report;
2. The financial statements; and
3. The surplus earning distribution or loss off-setting proposals etc.

The board of directors shall submit the various financial statements and records prepared, with the Audit Committee's auditing report for, by it to the general meeting of shareholders for its ratification.

Article 25-1 If the Company have surplus earnings after close of fiscal year, shall be according to the performance of the year to set 6 to 10 percent of its reserves as employees' compensation, and not more than 2 percent of it as directors' and supervisors' remuneration. However, the company's accumulated losses shall have been covered. The directors' and supervisors' remuneration must be paid in cash. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have

the profit distributable as employees' compensation in the preceding two paragraphs distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements.

Article 26 This Corporation shall not pay dividends or bonuses when there is no profit shall as of the end of the preceding fiscal year. After all taxes and dues have been paid and its losses incurred in previous years have been covered and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. However when the legal reserve amounts to the authorized capital, this shall not apply. Aside from the aforesaid legal reserve, the company may, under this Articles of Incorporation or related Law, set or reversal aside another sum as special reserve. Earnings available for distribution must be including the accumulated undistributed earnings of previous years.

Article 26-1 The shareholders' surplus are paid in the form of cash or shares. The ratio and kind of the profits distribution, shall taking into consideration future funds demand and long-term operational plan factors. After considerations about the corporation operation condition, shall be take care about shareholders' rights, balance dividends policy and funds demand plan, the board of directors to make proposal for distribution of profits to the meeting of shareholders' for adjust and approval by a resolution.

The Company authorizes the board of directors to have a majority resolution with more than two-thirds of the directors. All or part of the surplus would be distributed in cash and reported to the shareholders' meeting.

In case considering the financial, business or operational factors of this Corporation, or there is no profit for distribution in a certain year or even there is a surplus with the amount of earnings is much lower than the actual distribution of the company's previous year's surplus this Corporation may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

Section VII Supplemental Provisions

Article 27 In regard to all matters not provided for in these Articles of Incorporation, the Company Act of the Republic of China shall govern.

Article 28 The Issue date was on April 16, 1998,
the first Amendment was approved on August 9, 2001,
the second Amendment on March 28, 2002,
the third Amendment on April 12, 2002,
the fourth Amendment on, April 27, 2004
the fifth Amendment on Mar 27, 2007
the sixth Amendment on March 27, 2007
the seventh Amendment on May 22, 2008
the eighth Amendment on May 18, 2009
the ninth Amendment on Nov 17, 2009
the tenth Amendment on May 26, 2010
the eleventh Amendment on Jun 9, 2011
the twelfth Amendment on Jun 18, 2012
the thirteenth Amendment on Jun 23, 2014
the fourteenth Amendment on June 21, 2016
the fifteenth Amendment of Jun 18, 2019
the sixteenth Amendment of Aug 18, 2021
the seventeenth Amendment of Jun 23, 2022