

Stock Code:



CO-TECH DEVELOPMENT CORP.
CO-TECH DEVELOPMENT CORP.

2023 Annual General Shareholders' Meeting

Handbook

Meeting time: Monday, June 19, 2023 9:00 a.m.

Meeting Venue: 1F, No. 392, Ruiguang Road, Neihu District, Taipei City
(International Conference Room, Lite-On Technology Center)

Format: Physical Shareholders' Meeting

Table of Contents

	<u>Page</u>
One. Meeting Procedure _____	1
Two. Meeting Agenda _____	2
Three. Management Presentation (Company Reports) _____	3
Four. Matters for acknowledgment _____	4
Five. Extraordinary motions _____	6
Six. Attachments	
Attachment 1: 2022 Business Report _____	7
Attachment 2: Audit Committee’s Audit Report _____	9
Attachment 3: Comparison table of amendments to “Sustainable Development Best Practice Principles” _____	10
Attachment 4: Comparison table of amendments to “Corporate Governance Best Practice Principles” _____	11
Attachment 5: Consolidated Financial Statements and Independent Auditors’ Report _____	12
Attachment 6: Standalone Financial Statements and Independent Auditors’ Report _____	23
Attachment 7: Earnings Distribution Table _____	33
Attachment 8: The Articles of Incorporation _____	34
Attachment 9: Rules of Procedure for Shareholders’ Meetings _	41
Attachment 10: Shareholdings of Individuals and All Directors	50

CO-TECH DEVELOPMENT CORP.

Procedure for the 2023 General Shareholders' Meeting

- I. Call to Order
- II. Chairperson takes chair (call to order)
- III. Chairperson Remarks
- IV. Management Presentation (Company Reports)
- V. Matters for acknowledgment
- VI. Questions and Motions
- VII. Adjournment

CO-TECH DEVELOPMENT CORP.

Agenda for the 2023 General Shareholders' Meeting

Time: Monday, June 19, 2023 9:00 a.m.

Meeting Venue: 1F, No. 392, Ruiguang Road, Neihu District, Taipei City
(International Conference Room, Lite-On Technology Center)

Meeting Called to Order (report on the number of shares in attendance)

Meeting as scheduled

One. Chairperson Remarks

Two. Management Presentation (Company Reports)

- I. 2022 Business Report
- II. Audit Committee review report for 2022 financial statements.
- III. Report on the distribution of remuneration of employees and directors for 2022.
- IV. Report on the amendments of “Sustainable Development Best Practice Principles” and “Corporate Governance Best Practice Principles.”

Two. Matters for acknowledgment

- I. Recognition of the 2022 business report and financial statements:
- II. Acknowledgment of 2022 earnings distribution:

Three. Extraordinary motions

Four. Adjournment

※ Management Presentation (Company Reports)

I. 2022 business report, please review.

Explanatory Note: For the 2022 Business Report, please refer to pages 7~8, Attachment 1.

II. Audit Committee review report for 2022 financial statements.

Explanatory Note: For the Audit Committee's audit report, please refer to pages 9, Attachment 2.

III. Report on the distribution of remuneration of employees and directors in 2022.

Explanatory Note: (a) The remuneration to employees and directors for the year ended December 31, **2022** was approved by the Board of Directors on February 24, 2023. All of the above remuneration are paid in cash.

(b) For the year ended December 31, 2022, the compensation to employees was NT\$18,229,357 and the compensation to Directors was NT\$12,152,904.

(c) The amount of employees' and Directors' remuneration allocated has been recorded as expense for fiscal year 2022, and there is no difference between the amount recorded and the amount proposed to be allocated by the Board of Directors.

IV. Report on the amendments of “Sustainable Development Best Practice Principles” and “Corporate Governance Best Practice Principles”. Please review.

Explanation: In order to meet the international trend and to achieve the goal of sustainable development, and to strengthen the implementation of sustainable development by listed companies in Taiwan, the Company hereby amends certain provisions of the “Sustainable Development Best Practice Principles” and the “Corporate Governance Best Practice Principles” in accordance with the Announcement Zheng-Gui-Jian-Zi No. 11100730372 by TPEx dated December 28, 2022. Please refer to Attachments 3 and 4 on pages 10 to 11.

※Matters for acknowledgment

Proposal 1: (Proposed by the Board of Directors)

Subject: Acknowledgment of the 2022 business report and financial statements.

Explanation: (a) The consolidated financial statements and individual financial statements of the Company for the year ended December 31, 2022 have been prepared and audited by CPAs Cheng-Fu Chang and Chao, Yung-Hsiang, of Deloitte Touche Tohmatsu Limited.

- (b) The above financial statements and business reports have been reviewed by the Audit Committee.
- (c) For the 2022 Business Report, please refer to pages 7~8, Attachment 1.
- (d) For the 2022 Financial Statements, please refer to pages 12~32, Attachments 5 and 6.
- (e) Please acknowledge.

Resolution:

Proposal 2: (Proposed by the Board of Directors)

Subject: Acknowledgment of the distribution of earnings for the year ended December 31, 2022.

Explanation:

- (a) The 2022 earnings distribution proposal of the Company was approved by the Board of Directors on May 5, 2023.
- (b) For the year ended December 31, 2022, the Company's net income after tax was NT\$967,212,994, plus NT\$534,151,390 of undistributed earnings at the beginning of the period and The remeasurement amount of the defined benefit plan - the impact of this period is NT\$8,849,506 , additional calculation and reversal NT\$ 97,606 of special surplus reserve shall be withdrawn according to the law and less NT\$97,606,250 of 10% legal reserve, resulting in distributable earnings of NT\$1,412,705,246 for FY2022..
- (c) It is hereby proposed to distribute cash dividends of NT\$631,470,000 (NT\$2.5 per share) to shareholders. The cash dividends will be calculated in proportion to the distribution until the amount of NT\$1 (rounded down to the nearest NT\$1), and the total amount of deficiencies and zeroes will be adjusted from decimal point to decimal point and from front to back in order to meet the total amount of cash dividends distributed. After the Shareholder's Meeting's approval of the dividend distribution proposal, the Company intends to authorize the Chairman to resolve the ex-dividend date and cash dividend payment date and publicly announce such matters in accordance with the applicable laws.
- (d) If the number of outstanding shares changes as a result of the subsequent repurchase, transfer or cancellation of treasury stock and the issuance of new shares for cash capital increase, resulting in a change in the dividend distribution rate, the Chairman is authorized to adjust the dividend distribution rate accordingly.
- (e) Please refer to pages 33 in Attachment 7 for the earnings distribution table and description. It is hereby submitted to Shareholders' Meeting for recognition in accordance with the applicable laws.

Resolution:

※ Questions and Motions

Adjournment

CO-TECH DEVELOPMENT CORP.

2022 Business Report

2022 Business Report

In 2022, we achieved a favorable position in the high-frequency and high-speed markets, and Co-Tech is continuously improving its capabilities in new product design, development, and customer portfolio optimization. Furthermore, we have maintained our profit growth trend by controlling our stability and accurately mastering delivery dates to establish a good corporate product image and reputation while at the same time continuing to refine our production processes and increasing our utilization rates.

In 2022, the Company achieved an increase in profitability by adjusting and optimizing its customer and product structures and cost controls. Cumulative consolidated revenue for 2022 was NT\$7,407,454 thousand. Consolidated operating gross profit margin was 19%, net profit after tax was NT\$967,212 thousand, and EPS was NT\$3.83.

Business Plan for 2023

As we enter the 5G era, 5G applications and technologies will accompany data computing and storage requirements. The use of data has shifted from emphasizing scale to emphasizing low latency and high immediacy. With the rise of edge computing and the high cost of 5G spectrum, edge computing among telecom operators has replaced traditional network equipment and has become the entry point of the server supply chain. The growth of new cloud services will require a large amount of data processing with in related AI, 5G network applications, IOT edge computing technology upgrades, and as AR/VR, AI robots, self-driving cars, smart homes, resulting in an increase in terminal devices and emergence of new cloud services. These prospects and exponential increase in data processing will drive the growth of the demand for base station antenna design, netcom equipment, data centers and servers, which will then propel the terminal 5G smartphone industry. Due to the current skin effect, the transmission of high-frequency or high-speed signals will be more concentrated on the surface of the wire. The Company has developed its own advanced reversal copper foil; aside from being cost-effective, it also reduces dielectric loss to minimize signal transmission loss due to an improved performance of copper foil, which in turn is attributable to the difficulty in the design of copper bumps on copper foil and the choice of formula. This achieves high-speed results for customers, to achieve high-reliability, low-latency large-scale data transmission.

These efforts are in response to the increasing demand for 5G high-frequency and high-speed business opportunities, future growth is expected and as a result of high frequency and high speed, the selection of low dielectric and low transmission loss dielectric materials is extremely demanding. With the technology owned by the Company, it has successively and continuously developed high-frequency and high-speed transmission copper foil products with low signal transmission loss, ultra-low roughness and high tear resistance. In the future, 5G technology should be able to meet the demands of large-scale data transmission with high reliability and low latency, thus ensuring the stability and

integrity of information, expanding the application field and occupying a place in the expansion of the copper foil industry when the future 5G business opportunities break out. In response to increasing demand for flexible boards in thin and light electronic products, we have completed development of copper foil for flexible copper clad laminates (FCCL) and the application of automotive electronic charging devices. The charging and discharging function needs to be equipped with thick copper foil that can transmit large currents and the development of thick copper foil for high-power charging and discharging has been completed.

Outlook for the Future

With respect to the outlook for the future, in the post-COVID-19 era, the global economic environment is clouded by multiple unfavorable factors such as the ongoing crisis of the war between Russia and Ukraine, the Federal Reserve's tightening monetary policy, and the U.S.'s increased efforts to block Chinese technologies and decouple from China. The high frequency of global economic shocks, high risk and uncertainty in 2023 created uncertainty for business operations. In this era of great changes and challenges, Co-Tech's mid-term and long-term core competitive advantage is based on our self-promise of "Optimum Application of Copper Foil Manufacturing and Service Industry". With respect to diversified high-frequency and high-speed materials, with the required characteristics of copper foil and materials, the Company shall develop next-generation electronic products to focus on customer portfolio optimization and product portfolio differentiation. In the meantime the Company is expanding new factory in Yunlin Technology-based Industrial Park to offer a diverse range of 5G-related products. We will focus on products featuring "differentiation," "customization," and "speed," creating competitiveness for our development strategy while continuing to cultivate first-line customers and developing potential customers.

We hope that the benefits of Co-Tech's transformation will continue to thrive, laying a solid foundation for the Company's sustainable operations and growing into the next wave of growth momentum. Finally, the Company appreciates to the shareholders' support over that past years. In return, the Board of Directors has resolved to distribute a cash dividend of NT\$2.5 per share. I would also extend thanks to my colleagues at Co-Tech for their continuous hard work and perseverance, continuous fighting power and execution power, perseverance, and continuous improvement! It is expected that the management team will uphold the spirit of innovation, move forward, and create better profits to reward shareholders and employees.

Chairman: Raymond Soong



General Manager: Lee Shih-Shen



Head of Accounting: Kao Hung-Yu



CO-TECH DEVELOPMENT CORP.

Audit Committee's Review Report

The Company's Board of Directors has prepared and submitted the financial statements for the year ended December 31, 2020, audited by the attesting CPAs of Deloitte Touche Tohmatsu Limited, together with the business report and the earnings distribution of the Company. The Audit Committee has reviewed and concluded that the report is in compliance with the Company Law and other relevant laws and regulations and hereby submits a report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2023 Annual General Shareholders' Meeting

The Audit Committee, Chairman:

A handwritten signature in blue ink, appearing to be '张子明' (Zhang Ziming), is written over a horizontal line.

February 24, 2023

Comparison table of amendments to “Sustainable Development Best Practice Principles”

Prior to amendment	Post amendment	Reason for amendment
None, this article adds	<u>Article 27-1</u> <u>Listed companies are encouraged to continuously devote resources to cultural and artistic activities or cultural and creative industries through donations, sponsorships, investments, procurement, strategic partnerships, corporate volunteer technical services, or other modes of support, in order to promote cultural development.</u>	The Principles are formulated or amended to encourage enterprises to support cultural and artistic activities and promote sustainable development of culture.

Comparison table of amendments to “Corporate Governance Best Practice Principles”

Prior to amendment	Post amendment	Reason for amendment
<p>Article 1-1 ...company... more than three years. The corporate governance affairs mentioned in the preceding paragraph shall cover, at a minimum, the following:</p> <ul style="list-style-type: none"> I. Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law; II. Preparation of minutes of the board of directors meetings and shareholders meetings; III. Assistance in onboarding and continuing education of the directors; IV. Provision of information required for performance of duties by the directors; V. Assistance in the directors’ compliance of law; VI. Other matters described or established in the articles of incorporation or under contract. 	<p>Article 1-1 ...company... more than three years. The corporate governance affairs mentioned in the preceding paragraph shall cover, at a minimum, the following:</p> <ul style="list-style-type: none"> I. Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law; II. Preparation of minutes of the board of directors meetings and shareholders meetings; III. Assistance in onboarding and continuing education of the directors; IV. Provision of information required for performance of duties by the directors; V. Assistance in the directors’ compliance of law; <u>VI. Report to the Board of Directors on the results of the review of the compliance of the qualifications of independent directors with the relevant laws and regulations at the time of nomination, election and during their term of office.</u> <u>VII. To handle matters related to the change of directors.</u> <u>VIII. Other matters described or established in the articles of incorporation or under contract.</u> 	<p>In accordance with the Corporate Governance 3.0 - Sustainable Development Blueprint, the legal compliance of the qualification of independent directors is incorporated into the function of the chief corporate governance officer, written regulations should be established for transactions between the Company and its related parties and shareholders, and the scope of related parties shall include affiliates, while the establishment of an audit committee is done to fully replace the previous supervisory system in order to enhance the transparency of the audit quality. For the evaluation by the Company’s Audit Committee on the change of CPA firm, please refer to AQI information.</p>
<p>Article 16 The Company and its affiliates who have business dealings with each other shall, in accordance with the principles of fairness and reasonableness, establish written regulations on the financial and business matters between them. The price terms and payment methods shall be clearly defined for contractual matters, and unconventional transactions shall be prohibited. Transactions or contracts between the Company and its related parties and its shareholders shall also be conducted in accordance with the foregoing principles, and transfer of benefits is strictly prohibited.</p>	<p>Article 16 <u>The Company and its related parties and shareholders who have financial or business dealings with each other shall, in accordance with the principles of fairness and reasonableness, establish written regulations on the financial and business matters between them. The price terms and payment methods shall be clearly defined for contractual matters, and unconventional transactions and improper transfer of benefits shall be prohibited.</u> <u>The aforementioned written regulations shall include procedures for the management of transactions such as purchase and sale transactions, acquisition or disposal of assets, lending of funds and endorsement and guarantee, and the relevant significant transactions shall be approved by the Board of Directors and approved by or reported to the shareholders’ meeting.</u></p>	
<p>Article 27 The Company shall choose to establish an audit committee or appoint supervisors.</p>	<p>Article 27 <u>The Company shall establish an audit committee.</u></p>	
<p>Article 28 The Company shall periodically (at least once a year) evaluate the independence and competency of the appointed CPAs. If the Company has not replaced its CPAs for seven consecutive years or if they have been disciplined or their independence has been impaired, the Company shall evaluate whether there is a need to replace the CPAs and report the evaluation results to the Board of Directors.</p>	<p>Article 28 <u>The Company shall periodically (at least once a year) evaluate the independence and competency of the appointed CPAs by reference to the Audit Quality Indicators (AQIs).</u> <u>If the Company has not replaced its CPAs for seven consecutive years or if they have been disciplined or their independence has been impaired, the Company shall evaluate whether there is a need to replace the CPAs and report the evaluation results to the Board of Directors.</u></p>	

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

CO-TECH DEVELOPMENT CORPORATION

By

RAYMOND SOONG
Chairman

February 24, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Co-Tech Development Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2022 are as follows:

Occurrence of Revenue

Refer to Note 4 to the accompanying consolidated financial statements for disclosures regarding the accounting policies and detailed information on income.

The Group's revenue mainly comes from the production and sale of copper foil. The contribution of customers' sales is highly affected by the demand of the copper foil industry and the fluctuation of international copper prices. Since sales revenue recognized can have a significant impact on the Group's financial performance the main significant risk of the Group is the occurrence of sales revenue. Therefore, we identified the occurrence of revenue as a key audit matter.

In response to the key audit matter on the occurrence of revenue, we performed the following audit procedures:

1. We obtained an understanding and evaluated the appropriateness of the accounting policies on revenue recognition.
2. We obtained an understanding and evaluated the effectiveness of its internal control on revenue recognition and confirmed the occurrence of sales.
3. We selected samples and tested sales transactions of the current year, and we checked the relevant internal and external vouchers and verified the shipments; we checked the sales target and the recipients of the payments and the post-receipt collections for any major abnormalities; we checked the general ledger of sales revenue for any significant debit amount; and we checked the sales returns and allowances ledger for any significant sales returns and discounts and confirmed that sales transactions did occur.

Other Matter

We have also audited the parent company only financial statements of Co-Tech Development Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with other matter paragraph.

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 IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chin-Fu Chang and Yung-Hsiang Chao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

Notice to Readers

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

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

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,648,159	22	\$ 2,898,149	35
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	458	-	6,372	-
Trade receivables (Notes 4 and 8)	1,678,894	22	2,038,948	25
Other receivables (Note 4)	10,041	-	7,491	-
Current tax assets (Notes 4 and 18)	-	-	24,236	-
Inventories (Notes 4 and 9)	675,661	9	770,091	9
Other current assets	<u>72,470</u>	<u>1</u>	<u>74,953</u>	<u>1</u>
Total current assets	<u>4,085,683</u>	<u>54</u>	<u>5,820,240</u>	<u>70</u>
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4, 11 and 23)	3,033,949	40	2,336,042	28
Right-of-use assets (Notes 4 and 12)	4,081	-	3,127	-
Other intangible assets, net (Note 4)	1,640	-	1,511	-
Deferred tax assets (Notes 4 and 18)	66,973	1	79,259	1
Prepayments for equipment	368,808	5	78,224	1
Refundable deposits	42,050	-	37,940	-
Other non-current assets	<u>11,791</u>	<u>-</u>	<u>12,722</u>	<u>-</u>
Total non-current assets	<u>3,529,292</u>	<u>46</u>	<u>2,548,825</u>	<u>30</u>
TOTAL	<u>\$ 7,614,975</u>	<u>100</u>	<u>\$ 8,369,065</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	\$ 369,276	5	\$ 381,387	5
Short-term bills payable (Note 13)	145,291	2	159,000	2
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	14,863	-	-	-
Trade payables	430,375	6	665,672	8
Other payables (Note 14)	405,142	5	396,372	5
Current tax liabilities (Notes 4 and 18)	30,893	-	337,126	4
Lease liabilities - current (Notes 4 and 12)	1,743	-	1,927	-
Current portion of long-term borrowings (Notes 13 and 23)	55,300	1	110,600	1
Other current liabilities	<u>26,498</u>	<u>-</u>	<u>30,143</u>	<u>-</u>
Total current liabilities	<u>1,479,381</u>	<u>19</u>	<u>2,082,227</u>	<u>25</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 13 and 23)	-	-	55,300	-
Deferred tax liabilities (Notes 4 and 18)	3,547	-	2,529	-
Lease liabilities - non-current (Notes 4 and 12)	2,356	-	1,232	-
Net defined benefit liabilities - non-current (Notes 4 and 15)	<u>45,019</u>	<u>1</u>	<u>58,396</u>	<u>1</u>
Total non-current liabilities	<u>50,922</u>	<u>1</u>	<u>117,457</u>	<u>1</u>
Total liabilities	<u>1,530,303</u>	<u>20</u>	<u>2,199,684</u>	<u>26</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY				
Ordinary shares	<u>2,525,880</u>	<u>33</u>	<u>2,525,880</u>	<u>30</u>
Capital surplus	<u>1,560,897</u>	<u>21</u>	<u>1,560,897</u>	<u>19</u>
Retained earnings				
Legal reserve	487,583	6	335,777	4
Special reserve	8,244	-	8,302	-
Unappropriated earnings	<u>1,510,214</u>	<u>20</u>	<u>1,746,769</u>	<u>21</u>
Total retained earnings	<u>2,006,041</u>	<u>26</u>	<u>2,090,848</u>	<u>25</u>
Other equity	<u>(8,146)</u>	<u>-</u>	<u>(8,244)</u>	<u>-</u>
Total equity (Note 16)	<u>6,084,672</u>	<u>80</u>	<u>6,169,381</u>	<u>74</u>
TOTAL	<u>\$ 7,614,975</u>	<u>100</u>	<u>\$ 8,369,065</u>	<u>100</u>

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

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 4)	\$ 7,407,454	100	\$ 8,914,783	100
OPERATING COSTS				
Cost of goods sold (Notes 9 and 17)	<u>(6,051,321)</u>	<u>(81)</u>	<u>(6,735,488)</u>	<u>(76)</u>
GROSS PROFIT	<u>1,356,133</u>	<u>19</u>	<u>2,179,295</u>	<u>24</u>
OPERATING EXPENSES (Note 17)				
Selling and marketing expenses	(79,651)	(1)	(121,416)	(1)
General and administrative expenses	(78,273)	(1)	(87,906)	(1)
Research and development expenses	<u>(45,309)</u>	<u>(1)</u>	<u>(62,370)</u>	<u>(1)</u>
Total operating expenses	<u>(203,233)</u>	<u>(3)</u>	<u>(271,692)</u>	<u>(3)</u>
OPERATING INCOME	<u>1,152,900</u>	<u>16</u>	<u>1,907,603</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	12,625	-	7,124	-
Other income	27,165	-	8,270	-
Other gains and losses (Note 17)	(2,478)	-	(12,017)	-
Finance costs (Notes 4 and 17)	<u>(5,305)</u>	<u>-</u>	<u>(6,033)</u>	<u>-</u>
Total non-operating income and expenses	<u>32,007</u>	<u>-</u>	<u>(2,656)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,184,907	16	1,904,947	21
INCOME TAX EXPENSE (Notes 4 and 18)	<u>(217,695)</u>	<u>(3)</u>	<u>(381,709)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>967,212</u>	<u>13</u>	<u>1,523,238</u>	<u>17</u>

(Continued)

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 15)	\$ 8,851	-	\$ (5,180)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>98</u>	<u>-</u>	<u>58</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>8,949</u>	<u>-</u>	<u>(5,122)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 976,161</u>	<u>13</u>	<u>\$ 1,518,116</u>	<u>17</u>
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$3.83</u>		<u>\$6.03</u>	
Diluted	<u>\$3.82</u>		<u>\$6.02</u>	

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

(Concluded)

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Parent Company						
	Issue of Shares Capital	Capital Surplus Additional Paid-in Capital from Share Issuance in Excess of Par Value	Retained Earnings			Other Equity Exchange Differences on Translating Foreign Operations	Total Equity
	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2021	\$ 2,525,880	\$ 1,583,629	\$ 282,039	\$ 8,279	\$ 764,915	\$ (8,302)	\$ 5,156,440
Appropriation of 2020 earnings							
Legal reserve	-	-	53,738	-	(53,738)	-	-
Special reserve	-	-	-	23	(23)	-	-
Cash dividends distributed by the Company	-	-	-	-	(482,443)	-	(482,443)
Issuance of share dividends from capital surplus	-	(22,732)	-	-	-	-	(22,732)
Net profit for the year ended December 31, 2021	-	-	-	-	1,523,238	-	1,523,238
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(5,180)	58	(5,122)
BALANCE AT DECEMBER 31, 2021	2,525,880	1,560,897	335,777	8,302	1,746,769	(8,244)	6,169,381
Appropriation of 2021 earnings							
Legal reserve	-	-	151,806	-	(151,806)	-	-
Reversal of Special reserve	-	-	-	(58)	58	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,060,870)	-	(1,060,870)
Net profit for the year ended December 31, 2022	-	-	-	-	967,212	-	967,212
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	8,851	98	8,949
BALANCE AT DECEMBER 31, 2022	\$ 2,525,880	\$ 1,560,897	\$ 487,583	\$ 8,244	\$ 1,510,214	\$ (8,146)	\$ 6,084,672

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

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,184,907	\$ 1,904,947
Adjustments for:		
Depreciation expense	171,765	200,321
Amortization expense	747	943
Net loss (gain) on fair value changes of financial instruments as at fair value through profit or loss	14,405	(6,372)
Finance costs	5,305	6,033
Interest income	(12,625)	(7,124)
Net loss (gain) on disposal of property, plant and equipment	(73)	5,325
Write-down of inventories (reversal of write-down)	2,866	(3,452)
Net loss on foreign currency exchange	15,477	11,696
Gain on lease modification	(18)	-
Other non-cash items	5,726	5,726
Changes in operating assets and liabilities		
Notes receivable	-	74
Trade receivables	335,797	(426,765)
Other receivables	(2,010)	82,102
Inventories	91,564	(287,686)
Other current assets	2,483	(28,479)
Trade payables	(233,865)	329,485
Other payables	(51,610)	48,631
Other current liabilities	(3,492)	7,994
Net defined benefit liabilities	(2,314)	(1,492)
Cash generated from operations	1,525,035	1,841,907
Interest received	12,085	7,261
Interest paid	(5,250)	(6,134)
Income tax paid	(488,600)	(167,816)
Net cash generated from operating activities	<u>1,043,270</u>	<u>1,675,218</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(813,510)	(716,848)
Proceeds from disposal of property, plant and equipment	199	733
Increase in refundable deposits	-	(249)
Purchases of intangible assets	(876)	(506)
Decrease in other non-current assets	931	678
Increase in prepayments for equipment	(290,584)	(78,224)
Net cash used in investing activities	<u>(1,103,840)</u>	<u>(794,416)</u>

(Continued)

CO-TECH DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ -	\$ 26,134
Repayments of short-term borrowings	(8,526)	-
Proceeds from short-term bills payable	-	17,587
Repayments of short-term bills payable	(7,375)	-
Repayments of long-term borrowings	(110,600)	(110,600)
Repayments of the principal portion of lease liabilities	(2,147)	(2,377)
Cash dividends paid	<u>(1,060,870)</u>	<u>(505,175)</u>
Net cash used in financing activities	<u>(1,189,518)</u>	<u>(574,431)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>98</u>	<u>58</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,249,990)	306,429
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,898,149</u>	<u>2,591,720</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,648,159</u>	<u>\$ 2,898,149</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Co-Tech Development Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters identified in the Company's financial statements for the year ended December 31, 2022 are as follows:

Occurrence of Revenue

Refer to Note 4 to the accompanying financial statements for disclosures regarding the accounting policies and detailed information on income.

The Company's revenue mainly comes from the production and sale of copper foil. The contribution of customers' sales is highly affected by the demand of the copper foil industry and the fluctuation of international copper prices. Since sales revenue recognized can have a significant impact on the Company's financial performance, the main significant risk of the Company is the occurrence of sales revenue. Therefore, we identified the occurrence of revenue as a key audit matter.

In response to the key audit matter on the occurrence of revenue, we performed the following audit procedures:

1. We obtained an understanding and evaluated the appropriateness of the accounting policies on revenue recognition.
2. We obtained an understanding and evaluated the effectiveness of its internal control on revenue recognition and confirmed the occurrence of sales.
3. We selected samples and tested sales transactions of the current year, and we checked the relevant internal and external vouchers and verified the shipments; we checked the sales target and the recipients of the payments and the post-receipt collections for any major abnormalities; we checked the general ledger of sales revenue for any significant debit amount; and we checked the sales returns and allowances ledger for any significant sales returns and discounts and confirmed that sales transactions did occur.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Ching-Fu Chang and Yung Hsiang Chao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

Notice to Readers

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

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

CO-TECH DEVELOPMENT CORPORATION

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,643,381	22	\$ 2,893,787	35
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	458	-	6,372	-
Trade receivables (Notes 4 and 8)	1,678,640	22	2,038,698	24
Other receivables (Note 4)	9,928	-	4,565	-
Current tax assets (Notes 4 and 18)	-	-	24,236	-
Inventories (Notes 4 and 9)	675,661	9	770,091	9
Other current assets	<u>72,402</u>	<u>1</u>	<u>74,886</u>	<u>1</u>
Total current assets	<u>4,080,470</u>	<u>54</u>	<u>5,812,635</u>	<u>69</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 10)	4,891	-	7,177	-
Property, plant and equipment (Notes 4, 11 and 23)	3,033,937	40	2,336,026	28
Right-of-use assets (Notes 4 and 12)	3,677	-	2,363	-
Other intangible assets, net (Note 4)	1,640	-	1,511	-
Deferred tax assets (Notes 4 and 18)	66,973	1	79,259	1
Prepayments for equipment	368,808	5	78,224	1
Refundable deposits	42,050	-	37,940	1
Other non-current assets	<u>11,791</u>	<u>-</u>	<u>12,722</u>	<u>-</u>
Total non-current assets	<u>3,533,767</u>	<u>46</u>	<u>2,555,222</u>	<u>31</u>
TOTAL	<u>\$ 7,614,237</u>	<u>100</u>	<u>\$ 8,367,857</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	\$ 369,276	5	\$ 381,387	5
Short-term bills payable (Note 13)	145,291	2	159,000	2
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	14,863	-	-	-
Trade payables	430,375	6	665,672	8
Other payables (Notes 14 and 22)	404,815	5	395,934	5
Current tax liabilities (Notes 4 and 18)	30,893	-	337,126	4
Lease liabilities - current (Notes 4 and 12)	1,364	-	1,530	-
Current portion of long-term borrowings (Notes 13 and 23)	55,300	1	110,600	1
Other current liabilities	<u>26,498</u>	<u>-</u>	<u>30,143</u>	<u>-</u>
Total current liabilities	<u>1,478,675</u>	<u>19</u>	<u>2,081,392</u>	<u>25</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 13 and 23)	-	-	55,300	-
Deferred tax liabilities (Notes 4 and 18)	3,547	-	2,529	-
Lease liabilities - non-current (Notes 4 and 12)	2,324	-	859	-
Net defined benefit liabilities - non-current (Notes 4 and 15)	<u>45,019</u>	<u>1</u>	<u>58,396</u>	<u>1</u>
Total non-current liabilities	<u>50,890</u>	<u>1</u>	<u>117,084</u>	<u>1</u>
Total liabilities	<u>1,529,565</u>	<u>20</u>	<u>2,198,476</u>	<u>26</u>
EQUITY (Note 16)				
Ordinary shares	<u>2,525,880</u>	<u>33</u>	<u>2,525,880</u>	<u>30</u>
Capital surplus	<u>1,560,897</u>	<u>21</u>	<u>1,560,897</u>	<u>19</u>
Retained earnings				
Legal reserve	487,583	6	335,777	4
Special reserve	8,244	-	8,302	-
Unappropriated earnings	<u>1,510,214</u>	<u>20</u>	<u>1,746,769</u>	<u>21</u>
Total retained earnings	<u>2,006,041</u>	<u>26</u>	<u>2,090,848</u>	<u>25</u>
Other equity	<u>(8,146)</u>	<u>-</u>	<u>(8,244)</u>	<u>-</u>
Total equity	<u>6,084,672</u>	<u>80</u>	<u>6,169,381</u>	<u>74</u>
TOTAL	<u>\$ 7,614,237</u>	<u>100</u>	<u>\$ 8,367,857</u>	<u>100</u>

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

CO-TECH DEVELOPMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 4 and 22)	\$ 7,407,454	100	\$ 8,911,149	100
OPERATING COSTS				
Cost of goods sold (Notes 9 and 17)	<u>(6,051,321)</u>	<u>(81)</u>	<u>(6,735,959)</u>	<u>(76)</u>
GROSS PROFIT	<u>1,356,133</u>	<u>19</u>	<u>2,175,190</u>	<u>24</u>
OPERATING EXPENSES (Note 17)				
Selling and marketing expenses	(79,651)	(1)	(121,350)	(1)
General and administrative expenses	(75,737)	(1)	(84,793)	(1)
Research and development expenses	<u>(45,309)</u>	<u>(1)</u>	<u>(62,370)</u>	<u>(1)</u>
Total operating expenses	<u>(200,697)</u>	<u>(3)</u>	<u>(268,513)</u>	<u>(3)</u>
OPERATING INCOME	<u>1,155,436</u>	<u>16</u>	<u>1,906,677</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	12,610	-	7,092	-
Other income	27,157	-	8,270	-
Other gains and losses (Note 17)	(2,616)	-	(11,957)	-
Finance costs (Notes 4 and 17)	(5,296)	-	(6,019)	-
Share of (loss) profit of subsidiaries (Note 4)	<u>(2,384)</u>	<u>-</u>	<u>884</u>	<u>-</u>
Total non-operating income and expenses	<u>29,471</u>	<u>-</u>	<u>(1,730)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,184,907	16	1,904,947	21
INCOME TAX EXPENSE (Notes 4 and 18)	<u>(217,695)</u>	<u>(3)</u>	<u>(381,709)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>967,212</u>	<u>13</u>	<u>1,523,238</u>	<u>17</u>

(Continued)

CO-TECH DEVELOPMENT CORPORATION

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

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME/(LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 15)	\$ 8,851	-	\$ (5,180)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>98</u>	<u>-</u>	<u>58</u>	<u>-</u>
Other comprehensive income/(loss) for the year, net of income tax	<u>8,949</u>	<u>-</u>	<u>(5,122)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 976,161</u>	<u>13</u>	<u>\$ 1,518,116</u>	<u>17</u>
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$3.83</u>		<u>\$6.03</u>	
Diluted	<u>\$3.82</u>		<u>\$6.02</u>	

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

(Concluded)

CO-TECH DEVELOPMENT CORPORATION

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

	Issue of Shares Capital Amount	Capital Surplus Additional Paid-in Capital from Share Issuance in Excess of Par Value	Retained Earnings			Other Equity Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2021	\$ 2,525,880	\$ 1,583,629	\$ 282,039	\$ 8,279	\$ 764,915	\$ (8,302)	\$ 5,156,440
Appropriation of 2020 earnings							
Legal reserve	-	-	53,738	-	(53,738)	-	-
Special reserve	-	-	-	23	(23)	-	-
Cash dividends distributed by the Company	-	-	-	-	(482,443)	-	(482,443)
Issuance of share dividends from capital surplus	-	(22,732)	-	-	-	-	(22,732)
Net profit for the year ended December 31, 2021	-	-	-	-	1,523,238	-	1,523,238
Other comprehensive income/(loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(5,180)	58	(5,122)
BALANCE AT DECEMBER 31, 2021	2,525,880	1,560,897	335,777	8,302	1,746,769	(8,244)	6,169,381
Appropriation of 2021 earnings							
Legal reserve	-	-	151,806	-	(151,806)	-	-
Reversal of special reserve	-	-	-	(58)	58	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,060,870)	-	(1,060,870)
Net profit for the year ended December 31, 2022	-	-	-	-	967,212	-	967,212
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	8,851	98	8,949
BALANCE AT DECEMBER 31, 2022	<u>\$ 2,525,880</u>	<u>\$ 1,560,897</u>	<u>\$ 487,583</u>	<u>\$ 8,244</u>	<u>\$ 1,510,214</u>	<u>\$ (8,146)</u>	<u>\$ 6,084,672</u>

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

CO-TECH DEVELOPMENT CORPORATION

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,184,907	\$ 1,904,947
Adjustments for:		
Depreciation expense	171,388	199,951
Amortization expense	747	943
Net loss (gain) on fair value changes of financial instruments as at fair value through profit or loss	14,405	(6,372)
Finance costs	5,296	6,019
Interest income	(12,610)	(7,092)
Share of loss (profit) of subsidiaries	2,384	(884)
Net (gain) loss on disposal of property, plant and equipment	(73)	5,325
Write-down of inventories (reversal of write-down)	2,866	(3,452)
Net loss on foreign currency exchange	15,477	11,696
Gain on lease modification	(18)	-
Other non-cash items	5,726	5,726
Changes in operating assets and liabilities		
Notes receivable	-	74
Trade receivables	335,801	(426,762)
Trade receivables from related parties	-	3,522
Other receivables	(4,823)	81,200
Inventories	91,564	(287,686)
Other current assets	2,484	(28,479)
Trade payables	(233,865)	329,485
Other payables	(51,499)	48,677
Other current liabilities	(3,492)	18,206
Net defined benefit liabilities	(2,314)	(1,492)
Cash generated from operations	1,524,351	1,853,552
Interest received	12,070	7,230
Interest paid	(5,241)	(6,121)
Income tax paid	(488,600)	(167,816)
Net cash generated from operating activities	<u>1,042,580</u>	<u>1,686,845</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(813,510)	(716,848)
Proceeds from disposal of property, plant and equipment	199	733
Increase in refundable deposits	-	(249)
Purchases of intangible assets	(876)	(506)
Decrease in other non-current assets	931	678
Increase in prepayments for equipment	(290,584)	(78,224)
Net cash used in investing activities	<u>(1,103,840)</u>	<u>(794,416)</u>

(Continued)

CO-TECH DEVELOPMENT CORPORATION

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

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ -	\$ 26,134
Repayments of short-term borrowings	(8,526)	-
Proceeds from short-term bills payable	-	17,587
Repayments of short-term bills payable	(7,375)	-
Repayments of long-term borrowings	(110,600)	(110,600)
Repayments of the principal portion of lease liabilities	(1,775)	(2,019)
Cash dividends paid	<u>(1,060,870)</u>	<u>(505,175)</u>
Net cash used in financing activities	<u>(1,189,146)</u>	<u>(574,073)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,250,406)	318,356
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,893,787</u>	<u>2,575,431</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,643,381</u>	<u>\$ 2,893,787</u>

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

(Concluded)

CO-TECH DEVELOPMENT CORP. PROFIT DISTRIBUTION TABLE 2022

Unit: NTD/\$

Item	Amount
Undistributed earnings at the beginning of the period	534,151,390
Add: The remeasurement amount of the defined benefit plan - the impact of this period	8,849,506
Adjusted undistributed earnings	543,000,896
Add: Net profit for the period	967,212,994
Accumulated loss for the period	1,510,213,890
Less: 10% legal reserve	(97,606,250)
Add: Reversal of special reserve allocated in accordance with the law	97,606
Distributable net profit for period	1,412,705,246
Distributable items:	
Dividend to shareholders - Cash - Allotment of NT\$2.5 per share (Based on 252,588,000 shares outstanding)	(631,470,000)
Undistributed earnings at the end of the period	781,235,246

Chairman: Raymond Soong



General Manager: Lee Shih-Shen Head of Accounting: Kao Hung-Yu



CO-TECH DEVELOPMENT CORP. Articles of Incorporation

Chapter I General Principles

- Article 1: The Company shall be organized in accordance with the provisions of the Company Act and shall be known as Co-Tech Development Corp.
CO-TECH DEVELOPMENT CORP.
- Article 2: The Company's Scope of Business is as indicated:
1. CA01110 Smelting and Refining of Copper
 2. CA04010 Surface Treatments
 3. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
 4. CC01080 Electronics Components Manufacturing
 5. F401010 International Trade
 6. F106010 Wholesale of Hardware
 7. CA01130 Copper Rolling, Drawing and Extruding
 8. CA01120 Copper Casting
 9. C801010 Basic Chemical Industrial
 10. F107200 Wholesale of Chemical Feedstock
 11. F207200 Retail Sale of Chemical Feedstock
 12. D101060 self-usage power generation equipment utilizing renewable energy industry
 13. CA01070 Scrapped Car and Boat Dismantling and Scrap Iron and Steel Metal Processing
 14. C801030 Precision Chemical Material Manufacturing
 15. C901020 Glass and Glass Products Manufacturing
 16. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company shall have its head office in Taipei City, and may establish branches in domestic and foreign countries when necessary by resolution of the Board of Directors and approval of the competent authorities. The total amount of the Company's external investments may be used without the restriction of Article 13 of the Company Act, and the Company may engage in external guarantees as needed for business purposes in accordance with the Company's "Regulations Governing the Lending of Funds to Others and Endorsements and Guarantees".
- Article 4: Announcements of the Company shall be conducted in accordance with Article 28 of the Company Act.

Chapter II Shares

- Article 5: The total capital of the Company shall be set at NT\$3,000,000,000, divided into 300,000,000 shares of common stock at NT\$10 per share, and authorized to be issued by the Board of Directors in installments. Preferred shares may be issued within the total capital. Within the total number of shares in the preceding paragraph, 50 million shares are reserved for the issuance of stock options, new shares with restricted employee rights, preferred shares with stock options, or corporate bonds with stock options
- Article 6: The shares of the Company shall be in registered form, signed or affixed with a seal by the Directors representing the Company, and shall be duly certified before issuance in accordance with the law.
- Article 7: The company's share affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority.

- Article 8: A company not printing its share certificate in accordance with the provision of the preceding paragraph shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.
- Article 9: The entries in the shareholders' roster referred to in the preceding Paragraph shall not be altered within 30 days prior to the convening date of a regular shareholders' meeting, or within 15 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter III Shareholders' Meeting

- Article 10: There shall be two types of shareholders' meetings: Regular meetings and extraordinary meetings. Regular meetings shall be held once a year, within six months after the end of the fiscal year, and shall be convened by the Board of Directors unless otherwise provided in the Company Act. The extraordinary meeting shall be convened when necessary in accordance with the law. Thirty days prior to the regular meeting and fifteen days prior to the extraordinary meeting, each registered shareholder shall be notified of the date, place and reason for the meeting in accordance with the law.
- Article 10-1: The Company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. However, due to natural disasters, events or other force majeure, the central competent authority may announce that the Company may hold meetings by video conference or its announcement within a period of time without being specified in the Articles of Incorporation.
- In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
- The conditions, operating procedures and other matters to be complied with in the public offering of shares as stipulated in the preceding two items shall be subject to the provisions of the competent securities authorities.
- Article 11: In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his/her behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his/her power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors. If a shareholders' meeting is convened by a person other than the Board of Directors with the right to convene, the chairman of the meeting shall be the person with the right to convene, and if there are more than two persons with the right to convene, one of them shall be elected from among themselves.
- Article 12: If a shareholder is unable to attend a shareholders' meeting for any reason, he or she may appoint a proxy to attend the meeting by presenting a proxy form issued by the Company stating the scope of authority. In addition to the provisions of Article 177 of the Company Act, the method of shareholders' proxy attendance shall be in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authorities.
- The shareholders of the Company may exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are considered to be present in person and their related matters are handled in accordance with the provisions of the Law.

- Article 13: The shareholders of the Company shall have one vote per share, except for those who do not have the right to vote under Article 179 of the Company Act.
- Article 14: Except as otherwise provided in the relevant laws and regulations, the resolution of the shareholders' meeting shall be made with the presence of shareholders representing a majority of the total number of issued shares, and shall be carried out with the consent of a majority of the shareholders present to vote.
- Article 15: 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 minutes of shareholders' meeting shall record the date and place of 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 permanently during the continuance 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. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission.

Chapter IV Directors and the Audit Committee

- Article 16: The Company shall have seven (7) to eleven (11) directors, all of whom shall be elected by the shareholders' meeting for a term of three (3) years and shall be eligible for re-election. The total shareholding of all directors shall be in accordance with the regulations of the securities authority. The Directors of the Company shall hold a majority of seats among themselves and shall not have one of the following relationships.
- I. Spousal relationship.
 - II. Relatives within the second degree.
 - III. Relatives within the third degree of consanguinity.
 - IV. Representative of the same legal entity
- Article 16-1: The Company may purchase liability insurance for directors (including independent and non-independent directors) during their term of office in respect of their liability under the law for the execution of their business.
- Article 16-2: Of the list of directors listed in Article 16, there shall be at least three independent directors (one of whom shall be the convener and at least one of whom shall have accounting or financial expertise) and not make up less than one-fifth of the number of seats on the Board of Directors.
- The Company's directors (including independent directors) are elected by the shareholders' meeting from a list of candidates under the candidate nomination system set forth in Article 192-1 of the Company Act. The acceptance of nomination of director candidates and the announcement of related matters are handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected together and the number of elected seats shall be calculated separately.
- Article 16-3: The election of the Company's directors adopts the single-name cumulative election method. Each share has the same voting rights as the number of directors to be elected, and one person may be elected centrally, or a number of persons may stand for election, with the person with the greater number of votes to be elected as a director. If there is a need to amend the election method, the main contents of the amendment shall be listed and explained in the reasons for the convening, in addition to compliance with the provisions of Article 172 of the Company Act.
- Article 17: When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next shareholders meeting. If a

- vacancy in the Board of Directors reaches one-third of the total number of directors, a by-election shall be held at a shareholders' meeting within 60 days, and the term of office of the director shall be limited to the period of time to fill the original term.
- Article 18: In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.
- Article 19: The directors shall organize a board of directors' meeting, and a chairman shall be elected by the presence of at least two-thirds of the directors and the consent of a majority of the directors present, and if necessary, a vice chairman may be elected from among themselves in the same manner, and the chairman shall be the chairman of the shareholders' meeting and the board of directors internally and represent the Company externally. The chairman shall be assisted by the vice chairman in executing the duties.
- Article 20: The Company's business policies and other important matters shall be resolved by the Board of Directors. The Board of Directors shall be convened by the Chairman of the Board of Directors, who shall act as Chairman, except for the first meeting of each Board of Directors, which shall be convened in accordance with Article 203 of the Company Act.
- Article 20-1: The Board of Directors shall convene a meeting of the Company with seven days' notice, specifying the reasons for the convening; provided, however, that in the event of an emergency, the Board of Directors may convene an extraordinary meeting of the Company with seven days' notice. Notice of a meeting of the Board of Directors may be given by electronic means.
- Article 21: The Board of Directors shall meet once every quarter. Unless otherwise provided in the Company Act, a resolution of the board of directors' meeting shall be made with the consent of a majority of the directors present, and a director who participates in a meeting by video conference shall be deemed to be present in person. If a director is unable to attend for any reason, he/she may issue a proxy letter listing the scope of authorization for the convening of the meeting and appoint another director to attend the board meeting on his/her behalf, and the proxy shall act in accordance with Article 205 of the Company Act.
- Article 22: The minutes of the board of directors' meetings shall be prepared, signed and sealed by the chairman, and distributed to each director within 20 days after the meeting. The minutes shall contain the year, month, day, place, name of the chairman, method of resolution, the main points of the proceedings and the results thereof, and shall be kept permanently during the continuance of the Company. The attendance list bearing the signatures of Director 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.
- Article 23: The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the Audit Committee shall consist of all independent directors. The members of the Audit Committee or Audit Committee are responsible for carrying out the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act and other laws.
- Article 23-1: The composition, responsibilities, rules of procedure and other matters to be followed by the Audit Committee of the Company shall be conducted in accordance with the relevant regulations of the competent authorities.
- Article 23-2: The remuneration of the Chairman and Directors (including independent and non-independent Directors) of the Company shall be authorized to be determined by the Board of Directors' meeting based on their participation in the Company's operations and the value of their contributions, as well as the domestic and international industry standards.

Chapter V Organization and Management

- Article 24: The powers and functions of the Board of Directors, except as provided in the Company Act, shall be exercised by resolution of the Board of Directors in the following cases:
1. Approval and amendment of the Company's Articles of Incorporation.
 2. Approval of the annual budget and consideration of the annual accounts.
 3. The Company applies for financing, guarantees, acceptances, and other lending, debt raising and non-operating advances from financial institutions.
 4. Approval of endorsements and acceptances in the name of the Company.
 5. Establishment and abolition of branch offices.
 6. Approval to invest in other businesses.
 7. The proposed alienation, sale, lease, pledge, mortgage or other disposal of all or a substantial part of the Company's property.
 8. The selection and appointment of the Company's key employees, auditors, legal advisors and others.
 9. Approval of the Company's application for stock listing (including over-the-counter listing).
 10. Approval and revision of investment plans for plant construction or expansion.
 11. Proposed distribution of earnings or loss recovery.
 12. The proposed capital increase or reduction of the Company's capital.
 13. Decisions on matters proposed by the chairman of the board of directors and the president.
 14. Other powers and functions in accordance with the laws and regulations and the shareholders.
- Article 25: The powers and functions of the shareholders' meeting shall be carried out in accordance with the provisions of the Company Act.
- Article 26: The Company may have a president and managers whose appointment, dismissal and remuneration shall be conducted in accordance with Article 29 of the Company Act. The Company may have a president, a chief executive officer and a number of advisors as resolved by the Board of Directors.
- Article 27: When the Company intends to cancel the public offering of its shares, a resolution shall be submitted to the shareholders' meeting, and this article shall not be changed during the period of listing on the stock exchange.

Chapter VI Final Account

- Article 28: At the end of the fiscal year, the Board of Directors shall prepare and submit to the shareholders' meeting for recognition the following statements. However, if otherwise provided by the Securities and Exchange Act or other laws and regulations, the provisions thereof shall apply.
- I. The business report;
 - II. The financial statements; and
 - III. The surplus earning distribution or loss off-setting proposals.
- Article 29: Employees' Remuneration and Directors' Remuneration
- The Company shall set aside 1% or more of its annual profit (profit means the pre-tax earnings prior to distribution of employee remuneration and director's remuneration) as employee compensation, which shall be distributed in stock or cash by resolution of the Board of Directors. The target recipients may include employees of control and subordinate companies who meet certain criteria, and the conditions and distribution method are authorized to be determined by the Board of Directors. The Company may

allocate up to 3% of the above-mentioned profits to the remuneration of directors by resolution of the Board of Directors, and the remuneration of directors may only be paid in cash. However, if the Company still has accumulated deficit (including the amount of adjustment of undistributed earnings), the amount of compensation should be reserved in advance, and then employees' remuneration and directors' remuneration should be appropriated in proportion to the aforementioned amount.

The scope of the employees listed in the preceding paragraph shall be subject to the regulations of the securities authority.

Article 29-1: Shareholders' Bonus + Dividend Policy

If there is any after-tax profit in the Company's annual financial statements, the Company shall first make up for the accumulated deficit (including adjustment of undistributed earnings) and then set aside 10% as legal reserve, but if the legal reserve has reached the Company's paid-in capital, it may not be set aside, and the remainder shall be set aside or reversed to special reserve as required by law. If there is any unappropriated earnings remaining (including adjustments to the unappropriated earnings), the board of directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company's dividend policy is in line with its current and future development plans, taking into account the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders, etc. The dividend policy will be determined annually based on capital requirements and the degree of dilution of earnings per share. Dividends are paid in the form of stock dividends or cash dividends; dividends to shareholders may be paid in cash or in stock, with cash dividends being no less than 10% of the total dividends.

If the Company has no distributable earnings for the current year, or if the amount of distributable earnings is significantly less than the actual earnings distributed in the previous year, or if the Company considers the financial, business and operational factors, the Company may distribute all or part of the earnings as required by law or by the competent authority.

Article 29-2: The Company may execute employee treasury stock, employee stock warrants, employee stock options, and employee stock options with restricted rights to include employees who meet certain criteria for control or subordination to the Company.

The scope of the employees listed in the preceding paragraph shall be subject to the regulations of the securities authority.

Article 29-3: Deleted.

Chapter VII Supplemental Provisions

Article 30: The Articles of Incorporation and Supplementary Provisions of the Company shall be separately formulated by the Board of Directors.

Article 31: All matters not provided for in these Articles of Incorporation shall be governed by the provisions of the Company Act and other laws and regulations.

Article 32: These Articles of Incorporation were established on May 8, 1998.

The first amendment was made on June 4, 1999.

The second amendment was made on June 8, 2001.

The third amendment was made on June 25, 2002.

The fourth amendment was made on June 25, 2004.

The fifth amendment was made on June 30, 2006.

The sixth amendment was made on June 27, 2007.

The seventh amendment was made on April 25, 2008.

The eighth amendment was made on May 11, 2010.

The ninth amendment was made on April 22, 2011.

The tenth amendment was made on June 18, 2012.

The eleventh amendment was made on June 6, 2014.

The twelfth amendment was made on June 7, 2016.

The thirteenth amendment was made on June 8, 2017.

The fourteenth amendment was made on June 11, 2018.

The fifteenth amendment was made on June 13, 2019.

The sixteenth amendment was made on June 10, 2020.

The seventeenth amendment was made on June 21, 2022. (By resolution of shareholders' meeting)

CO-TECH DEVELOPMENT CORP. Rules of Procedure for Shareholder Meetings

1. Objective: In order to establish a good governance system for the Company's shareholders' meetings, to improve the supervisory function and to strengthen the management function, these rules are hereby set forth in accordance with the provisions of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance; the rules of the Company's shareholders' meetings shall be in accordance with the provisions of these rules unless otherwise provided by law or the Articles of Incorporation.

2. Scope: All matters related to the shareholders' meeting shall be governed by these rules.

3. Rules:

Article 1: The Company shall state in the notice of the meeting the time and place for the shareholders, solicitors, and proxy agents (hereinafter referred to as shareholders) to report to the meeting and other matters to be noted.

The time during which shareholder attendance registrations will be accepted 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. Check-in for the video conference of the shareholders' meeting shall be accepted at the designated platform of the shareholders' meeting at least 30 minutes before the commencement of the meeting. The shareholders who have completed the check-in shall be deemed to be present in person at the shareholders' meeting.

An attendance book shall be set up at the registration counter for the attending shareholders to sign in in person or by proxy (hereinafter referred to as shareholders), or the attending shareholders shall present a sign-in card in lieu of sign in. The number of shares present shall be calculated based on the attendance book or the attendance card.

The Company shall deliver the shareholders' handbook, annual report, attendance cards, speech slips, voting ballots and other meeting materials to the shareholders attending the shareholders' meeting; if there is an election of directors, a separate election ballot shall be attached.

Shareholders should present their attendance cards, attendance cards or other attendance documents to attend the shareholders' meetings; solicitors should bring along identification documents for verification.

If the government or a legal entity is a shareholder, there is no limit on the number of representatives who can attend the shareholders' meeting. If a legal entity is entrusted to attend a shareholders' meeting, it may appoint only one representative to attend.

If a shareholders' meeting is held by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If a shareholders' meeting is held by video conference, the Company shall upload the meeting handbook, annual report and other relevant information to the shareholders' meeting video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them until the end of the meeting.

Article 1-1: The Company shall convene a video conference format of the shareholders' meeting by stating the following in the notice of the shareholders' meeting:

- I. Shareholders' participation in video conferences and methods of exercising their rights.

- II. The handling of obstacles to the video conferencing platform or video conference participation due to natural disasters, events or other force majeure circumstances, should at least include the following:
 - (1) The time when the meeting must be postponed or adjourned due to the persistence of the obstacle, and the date when the meeting must be postponed or adjourned.
 - (2) Shareholders who have not registered to participate in the original shareholders' meeting by video conference are not allowed to participate in the adjourned or reconvened meeting.
 - (3) If a hybrid shareholders' meeting cannot be continued by means of video conference, the shareholders' meeting shall be continued if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by means of video conference. The number of shares present at the shareholders' meeting by means of video conference shall be counted as the total number of shares present, and they shall be deemed to have abstained from voting in all motions at the physical shareholders' meeting.
 - (4) In the event that the results of all motions have been announced but no extraordinary motion has occurred, and the handling method thereof.

III. When holding a virtual shareholders' meeting by video conference, state appropriate alternative measures provided by the Company for shareholders who have difficulty participating in the shareholders' meeting by video conference.

Article 1-2: If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and election results on the video conference platform of the shareholders' meeting immediately after the close of voting in accordance with regulations, and shall continue to disclose the results for at least fifteen minutes after the meeting is adjourned by the chairman.

Article 1-3: When the Company holds a virtual video shareholders' meeting, the chairman and the minute-taker shall be present at the same place in Taiwan, and the chairman shall announce the address of such place at the time of the meeting.

- Article 1-4:
- I. If a shareholders' meeting is held by video conference, and if due to natural disaster, event or other force majeure occurs prior to the chairman announcing the adjournment of a meeting, resulting in the video conference platform or participation by means of video conference being obstructed for more than 30 minutes, the meeting shall be postponed by or reconvened within 5 days, and the provisions of Article 182 of the Company Act shall not apply.
 - II. Shareholders who have not registered to participate in the original shareholders' meeting by video conference are not allowed to participate in the adjourned or reconvened meeting.
 - III. When a shareholders' meeting is postponed or reconvened according to paragraph 1, if a shareholder who has registered to attend the original shareholders' meeting by video conference and has completed sign-in for the meeting, but has not attended the postponed or reconvened meeting, the number of shares present at the original shareholders' meeting and the voting rights and election rights exercised shall be counted as the total number of shares, voting rights and election rights of the shareholders present at the postponed or reconvened meeting.
 - IV. If the shareholders' meeting is postponed or reconvened in accordance with the provisions of Paragraph 1, there is no need to discuss and resolve again on the motions for which voting and counting has been completed and the voting results or the list of directors elected have been announced.
 - V. In the event that the Company convenes a hybrid shareholders' meeting and the video conference cannot be carried out as prescribed in Paragraph 1, if, after

deducting the number of shares present at the shareholders' meeting by video conference, the total number of shares present still reaches the legal quota for holding the shareholders' meeting, the shareholders' meeting shall continue without postponing or reconvening the meeting in accordance with the first paragraph.

- VI. In the event that a meeting should be continued as described above, the number of shares attended by shareholders participating in the shareholders' meeting by way of video conference shall be counted as the total number of shares of shareholders present, but shall be deemed to have abstained for all motions at that shareholders' meeting.
- VII. If the Company postpones or reconvenes a meeting in accordance with the first paragraph, the Company shall follow the provisions set forth in Article 44, Paragraph 7 of Article 20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant prior procedures in accordance with the date of the original shareholders' meeting and the provisions of each Article.
- VIII. In accordance with the latter part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and the period stipulated in Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or reconvene the date of the shareholders' meeting in accordance with the provisions of Paragraph 1.
- IX. When the Company holds a virtual shareholders' meeting by video conference, the Company shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting by video conference.

Article 2: The number of shares of non-voting shareholders at a shareholders' meeting shall not be counted as part of the total number of shares issued. A shareholder may not vote on any matter at the meeting if he or she has an interest that may be detrimental to the Company's interests, and may not exercise his or her voting rights on behalf of another shareholder. The number of shares for which the aforementioned shareholders may not exercise their voting rights shall not be counted as the number of voting rights of the shareholders present. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 3: The shareholders' meeting shall be held at the place where the Company's business premises are located or at a place convenient for the shareholders to attend and suitable for the shareholders' meeting, and the meeting shall commence no earlier than 9:00 a.m. or no later than 3:00 p.m. The place and time of the meeting shall be held with due consideration to the opinions of the independent directors.

When the Company holds a virtual shareholders' meeting by video conference, the location restrictions stipulated in the preceding paragraph shall not apply.

Article 4: If the chairman of the board of directors is absent from office or is unable to exercise his or her duties for any reason, the vice chairman of the board of directors shall act as his or her proxy; if the vice chairman of the board of directors is also absent from office or is unable to exercise his or her duties for any reason, the chairman of the board of directors shall designate a director to act as his or her proxy; if the chairman of the board of directors does not designate a proxy, the directors shall elect one from among themselves to act as his or her proxy. If a shareholders' meeting is convened by a person other than the Board of Directors with the right to convene, the chairman of the meeting shall be the person with the right to convene. If there are more than two persons with the right to convene, one of them shall be elected from among themselves.

- Article 5: The Company may appoint a lawyer, accountant or related personnel to attend the shareholders' meeting. Company personnel working in shareholders' meetings shall wear identification badges or armbands.
- Article 6: The Company shall record or videotape the entire shareholders' meeting and retain records for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the records shall be kept until the end of the lawsuit.
If a shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, sign-in, attendance, questions, voting and the Company's vote counting results, and shall make an uninterrupted audio and video recording of the full procedure.
The Company shall keep the aforementioned information and video and audio recordings for the duration of its existence, and shall provide the video and audio recordings to the person to whom the video conference is entrusted for retention.
- Article 7: The attendance of the shareholders' meeting shall be calculated based on shares. The number of shares present is based on the number of shares reported on the attendance notice and video conference platform, and the number of shares for which voting rights are exercised by written or electronic means is added to the calculation.
The chairman of the meeting shall announce the meeting immediately after the meeting time has expired. However, if the shareholders representing more than half of the total number of issued shares are not present, the chairman may announce an adjournment of the meeting for a maximum of two times, and the total time of the adjournment shall not exceed one hour.
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 Taiwan Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. If a shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 1.
If, before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the tentative resolution made to the meeting for a vote in accordance with Article 174 of the Company Act.
- Article 8: If a shareholders' meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors; the meeting shall be conducted in accordance with the scheduled agenda, which may not be changed without the resolution of the shareholders' meeting. If a shareholders' meeting is convened by someone other than the Board of Directors with the right to convene, the provisions of the preceding paragraph shall apply.
The Chairman shall not adjourn the meeting without a resolution before the end of the first two preceding paragraphs (including extraordinary motions). After the meeting is adjourned, the shareholders are not allowed to elect another chairman for the meeting at the same place or another venue.
- Article 9: Before a shareholder attends to speak, he/she shall fill out a speaker's slip stating the speech summary, shareholder account number (or attendance card number) and account name, and the chairman shall determine the order of his/her speech.
A shareholder who is present at the meeting and has only proposed a speech but has not spoken is deemed not to have spoken. If there is any discrepancy between the content of the speech and the speaker's slip, the content of the speech shall prevail.
When a shareholder speaks, no other shareholder shall interfere with the speech except with the consent of the chairman and the shareholder speaking, and the chairman shall stop any such violation thereof.
If a shareholders' meeting is held by video conference, shareholders participating by video conference may ask questions by text on the video conference platform after the chairman

announces the opening of the meeting and before the meeting is adjourned, and the number of questions shall not exceed two for each motion, and each shall be limited to 200 words. The provisions of Paragraph 1 and Paragraph 5 shall not apply.

Article 10: Each shareholder may not speak more than twice on the same motion without the consent of the chairman, and each time may not exceed five minutes. If a shareholder speaks in violation of the preceding provisions or outside the scope of the subject matter, the chairman may stop him/her from speaking.

Article 11: If a legal entity is entrusted to attend a shareholders' meeting, it may appoint only one representative to attend. If a corporate shareholder designates two or more representatives to attend a shareholders' meeting, only one person may speak on the same motion.

Article 12: After the shareholders present have spoken, the chairman may reply in person or designate a relevant person to reply.

Article 13: When the chairman considers that the discussion of a motion has reached a level ready to be put to vote, he/she may declare that the discussion has ceased and the motion is put to vote.

Article 14: The chairman shall designate the persons to monitor and count the votes, but the monitors shall have the status of shareholders. The results of the voting shall be announced on the spot and recorded.

Article 15: During the meeting, the chairman may announce a break at his discretion. In the event of a force majeure circumstances, the chairman may rule to temporarily suspend the meeting and announce the resumption of the meeting according to the situation. If the meeting venue cannot be used before the end of the meeting (including temporary motions), the shareholders' meeting may resolve to find another venue to continue the meeting. In accordance with Article 182 of the Company Act, the shareholders' meeting may resolve to postpone or renew the meeting within five days.

Article 16: Each shareholder shall have one vote per share, except for those who are restricted or have no voting rights as listed in Paragraph 2 of Article 179 of the Company Act.

When the Company convenes a shareholders' meeting, the Company may exercise its voting rights in writing or by electronic means; the method of exercising its voting rights in writing or by electronic means shall be set forth in the notice of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are considered to be present in person at the shareholders' meeting. However, the shareholders are deemed to have abstained from voting on the extraordinary motion and the amendment to the original motion at that shareholders' meeting.

For those who exercise voting rights in writing or electronically in the preceding paragraph, their expression of intention shall be delivered to the company two days before the meeting of shareholders. However, those who express their intentions before the declaration is revoked are not limited to this.

After shareholders have exercised their voting rights in writing or electronically, if they wish to attend the shareholders meeting in person or through video conference, they shall revoke the expression of their intention to exercise the voting rights in the preceding paragraph in the same manner as when they exercise their voting rights at least two days before the shareholders' meeting; The voting rights exercised by the method shall prevail. If a proxy is appointed in writing or by electronic means to attend a shareholders' meeting, the voting rights shall be exercised by the proxy.

Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, a motion shall be approved by the affirmative vote of a majority of the votes of the shareholders present. In the event of a vote, the chairman or his or her designee shall announce the total number of votes of the shareholders present on a case-by-case basis.

If there is no objection from all shareholders present, the motion shall be deemed to have been approved by the chairman and shall have the same effect as a poll. In case of dissent, the chairman may ask the dissenters and abstainers to raise their hands or stand up and

count their votes. If the motion does not reach the legal constitution or amount, the motion shall be deemed to be passed without a vote. When the Company convenes a shareholders' meeting by video conference, the shareholders participating by video conference shall vote on each motion and election motion through the video conference platform after the chairman announces the opening of the meeting, and shall complete the voting before the chairman announces the closing of the voting, and any delay shall be deemed as abstention. If the shareholders' meeting is convened by video conference, the chairman shall announce the close of the voting and announce the voting and election results for a one-time vote count.

When the Company convenes a hybrid shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they registered two days prior to the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting by video conference only.

Those who exercise their voting rights by written or electronic means without revoking their intention and participate in the shareholders' meeting by video conference may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except for extraordinary motions.

Article 17: If there are amendments or substitutions to the same motion, the chairman shall determine the order of voting together with the original motion. If one of the motions has been approved, the other motions shall be deemed to be rejected and no further voting shall be required. The chairman of the board of directors shall appoint the monitors and counters of the votes on the motions, but the monitors shall be shareholders. The counting of votes shall be made publicly in the meeting of shareholders, and the results of the voting shall be announced on the spot and recorded.

Article 18: The meeting personnel conducting the shareholders' meeting shall wear identification cards or armbands. The chairman of the meeting may direct the proctors or security personnel to assist in maintaining the order of the meeting. When the proctors or security guards are present to help maintain order, they should wear "proctors" armbands or identification cards. If there is a sound amplifying device in the meeting venue, the chairman may stop the shareholders from speaking unless they are speaking with the device provided by the Company. If a shareholder violates the rules of procedure and does not obey the chairman's correction, and obstructs the progress of the meeting and fails to comply with measures, the chairman may direct the proctors or security personnel to ask him to leave the scene.

Article 19: Unless otherwise provided by law, the Board of Directors shall convene the shareholders' meetings of the Company.

Any change in the format for holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders' meeting.

The shareholders shall be notified 30 days in advance of the convening of an general shareholders' meeting, and for shareholders holding less than 1,000 registered shares, the meeting shall be announced by means of an announcement entered into the Market Observation Post System (MOPS) 30 days in advance; the shareholders shall be notified 15 days in advance of the convening of an extraordinary shareholders' meeting, and for shareholders holding less than 1,000 registered shares, the meeting shall be announced by means of an announcement entered into the MOPS 15 days in advance. However, if the Company's paid-in capital reached NT\$10 billion or more as of the end of the most recent fiscal year, or if the total percentage of foreign-invested and mainland China-invested shares recorded in the shareholders' register of the Company reached 30% or more as of

the most recent fiscal year, the Company shall complete the transmission of electronic files before the shareholders' meeting 30 days prior to the meeting.

The aforementioned handbook and supplementary information shall be made available to shareholders on the date of the meeting in the following manner:

- (a) When a physical shareholders' meeting is held, it shall be distributed at the site of the shareholders' meeting.
- (b) When a hybrid shareholders' meeting is held, the files shall be distributed during the shareholders' meeting and transmitted to the video conference platform by electronic means.
- (c) When a virtual shareholders' meeting is held, the files shall be distributed during the shareholders' meeting and transmitted to the video conference platform by electronic means.

The notice and announcement shall state the reason for the convening; the notice may be given by electronic means with the consent of the opposite party.

Article 20: The election or dismissal of directors, change of articles of incorporation, dissolution, merger or division of the Company, or the matters set forth in Paragraph 1 of Article 172 of the Company Act, Article 26-1 of the Securities and Exchange Act, or Article 43-6 of the Securities and Exchange Act shall be set forth in the grounds for the convening of the meeting and shall not be proposed on an ad hoc basis. Shareholders holding at least one percent of the issued shares may propose in writing to the Company a motion for an ordinary shareholders' meeting. However, no more than one proposal shall be included in the resolution. In addition, the Board of Directors may not include a shareholder's proposal under any of the circumstances set forth in Paragraph 4 of Article 172-1 of the Company Act.

Article 21: The Company shall announce the acceptance of the shareholders' proposals, the place of acceptance and the period of acceptance before the date of cessation of stock transfer prior to the ordinary shareholders' meeting; the period of acceptance shall not be less than ten days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

For each Shareholders Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 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. After a proxy form has been delivered to the Company, 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 the Company 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.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting via video conference, a written notice of proxy cancellation shall be submitted to the Company 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.

- Article 23: When there is an election of directors at the shareholders' meeting, the election shall be conducted in accordance with the relevant election regulations set forth by the Company, and the election results shall be announced on the spot. The election ballots for the aforementioned election shall be sealed and signed by the monitors and kept in a safe place for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, it shall be kept until the end of the lawsuit.
- Article 24: The minutes of the shareholders' meeting shall be prepared, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The production and distribution of the proceedings and minutes can be done electronically. The distribution of the proceedings and minutes can be done by public announcement. 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, and shall be retained for the duration of the existence of the Company. If the shareholders do not object to the resolution, it should be recorded as "approved by the chairman after consulting all shareholders present without objection"; however, if the shareholders object to the resolution, the voting method and the number and proportion of votes passed should be stated.
- If a shareholders' meeting is convened by video conference, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the manner in which the meeting is convened, the names of the chairman and the minutes of the meeting, and the manner and circumstances under which the video conference platform or video participation may be obstructed due to natural disasters, events or other force majeure circumstances.
- In addition to the aforementioned provisions, the Company shall convene a virtual shareholders' meeting and shall include in the minutes of the meeting alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by means of video conference tools.
- Article 25: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and the number of shares attended by shareholders in writing or electronically, and shall make an express disclosure of the same at the place of the shareholders meeting. If a virtual shareholders' meeting is held by video conference, the Company shall upload the aforementioned information to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting starts and continue to disclose it until the meeting adjourns.
- When the Company convenes a virtual shareholders' meeting, the total number of shares of shareholders present shall be disclosed on the video conference platform when the meeting commences. The same applies if the total number of shares and voting rights of shareholders present are counted at the meeting.
- If matters put to a resolution at a shareholders meeting constitute material information under applicable Taiwan laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period
- Article 26: Matters not provided for in these Rules of Procedure shall be governed by the provisions of the Company Act, the Securities and Exchange Act, the Company's Articles of Incorporation and other relevant laws and regulations.
- Article 27: These Regulations shall come into force after they have been approved by the shareholders' meeting and shall be amended in the same manner.
- Article 28: These Rules were established on June 4, 2009.
The first amendment was made on June 8, 2001.
The second amendment was made on June 27, 2007.
The third amendment was made on June 18, 2012.

The fourth amendment was made on June 7, 2016.

The fifth amendment was made on June 11, 2018.

The sixth amendment was made on June 21, 2022. (By resolution of shareholders' meeting)

Individual and all Directors' shareholdings

(Number of shares held by all shareholders prior to book closure on April 21, 2023)

Position	Name	Date elected	Term of office	Shareholdings while elected	Current shareholding
Chairman	Dasong Investment Co., Ltd. Representative: Raymond Soong	2022.06.21	3 years	12,497,270	12,497,270
Director	Hua Eng Wire & Cable Representative: Liu Hsiu-Mei	2022.06.21	3 years	7,812,375	7,812,375
Director	Chan Chi-Che	2022.06.21	3 years	3,696,000	3,696,000
Director	Tsai Hsung-Hsiung	2022.06.21	3 years	619,749	619,749
Director	Soong Ming-Feng	2022.06.21	3 years	0	0
Director	Yu Ming Chang	2022.06.21	3 years	580,000	580,000
Director	Lee Shih-Shen	2022.06.21	3 years	1,330,824	1,350,824
Independent director	Sun Chin-Su	2022.06.21	3 years	0	0
Independent director	George Chen	2022.06.21	3 years	0	0
Independent director	Hsieh Fa-Jung	2022.06.21	3 years	0	0
Total		10 persons		26,536,218	26,556,218
Minimum number of shares to be held by all directors				12,000,000	

Note 1: The paid-in capital of the Company was 252,588,000 shares as of April 21, 2023.

Note 2: The Company has an Audit Committee; therefore, there is no statutory shareholding required for supervisors.

Note 3: Independent directors are not included in the number of shares held by all directors.