

Stock code : 3013

**uneec[®] CHENMING
ELECTRONIC TECH. CORP.**

2023 Annual General Meeting

**Meeting Agenda
Handbook**

How to hold : Physical meeting

Date of meeting: June 16, 2023

Location: Denwell Group - Dazhi (No. 8, Zhifu Rd., Zhongshan
Dist., Taipei City, Taiwan)

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Chenming Electronic Technology Corporation
Agenda of the 2023 Shareholders' Regular Meeting

Time of meeting: 9:00 a.m, June 16, 2023.

Location: Dazhi Denwell (No. 8, Zhifu Road, Zhongshan District, Taipei City)

One. Announcement of the Commencement of the Meeting.

Two. The Chairperson's Remarks

Three. Reporting Matters:

I. 2022 Business Report.

II. Audit Committee's review of the 2022 year-end accounts.

III. Report on the execution of private common shares placement in 2022.

IV. Employees' and directors' remuneration distribution plan.

Four. Recognition Matters:

I. 2022 business report and financial statements.

II. Proposal for distribution of 2022 earnings.

Five. Discussion Matters:

Amendments to the Company's "Parliamentary Rules for Shareholders' Meetings."

Six. Elections

Motion for the Election of Directors (including Independent Directors) of the Company

Seven. Other Motions:

Motion for Release of New Directors from the Non-Competition Restriction

Eight. Questions and Motions

Nine. Adjournment of the meeting

One. Announcement of the Commencement of the Meeting

Two. The Chairperson's Remarks

Three. Reporting Matters

Reporting Matter I (Proposed by the Board of Directors)

Subject: 2022 Business Report is submitted for review.

Explanation: Please refer to Attachment I for the Business Report (page 9).

Reporting Matter II (Proposed by the Board of Directors)

Subject: Audit Committee's review of the 2022 year-end accounts; the motion is ready to proceed.

Explanation: Please refer to Attachment II for Audit Committee's Review Report (page 11).

Reporting Matter III (Proposed by the Board of Directors)

Subject: Report on the execution of private common share placement in 2022; the motion is ready to proceed.

Explanation: I. During the special shareholders meeting held on March 9, 2022, a resolution was passed to make a private placement of no more than 70 million common shares, for which the board of directors is authorized to execute in two placements within one year from the date of special shareholders' meeting resolution.

II. With regards to the private placement of common shares, the board of directors passed a resolution during the meeting held on March 10, 2022 to issue 40 million common shares for cash. As the proposal nears its expiry, the board of directors passed a resolution on January 11, 2023 to discontinue placement of the remaining 30 million shares until expiry, after taking into consideration the timeliness and feasibility of private placement under the prevailing regulations.

III. For details on private securities placement and execution in 2022, please refer to Attachment IV (page 27).

Reporting Matter IV (Proposed by the Board of Directors)

Subject: Employees' and directors' remuneration distribution plan.

Explanation: I. Pursuant to the Company's Articles of Incorporation, if Company records a profit in a year, an amount not less than 2% shall be appropriated as remuneration to employees and an amount no more than 2% shall be appropriated as remuneration to directors.

II. Pursuant to the preceding provision, the Company will appropriate NT\$7 million as remuneration to employees and NT\$1.5 million as remuneration to directors, and both will be distributed in cash. There is no difference between the actual amount paid and the estimated amount.

Four. Recognition Matters

Recognition Matter I: (Proposed by the Board of Directors)

Subject: 2022 business report and financial statements.

Explanation: I. The Company has completed preparation of separate and consolidated financial statements for 2022 and engaged CPA Michelle Wang and CPA Yvette Chien of KPMG to perform audit and issue independent auditor's report on the abovementioned financial statements.

- II. Please refer to Attachment I and Attachment III of this Handbook (page 9 and page 12) for the abovementioned Report and Statements.
- III. This motion has been reviewed by the Audit Committee and approved by the board of directors and is hereby presented for recognition during the shareholders' regular meeting.
- IV. Please kindly recognize.

Resolution:

Recognition Matter II: (Proposed by the Board of Directors)

Subject: Proposal for distribution of 2022 earnings.

- Explanation: I. The Company had opening undistributed earnings of NT\$206,313,178 in the beginning of 2022; after adding current net income of NT\$220,216,027 and making a 10% provision totaling NT\$22,021,603 for statutory reserves while reversing NT\$16,186,250 of special reserves in accordance with laws and the Articles of Incorporation, the Company had NT\$420,693,852 of earning available for distribution, and dividends totaling NT\$58,780,506 have been proposed. Please refer to the Earnings Distribution Plan for details.
- II. Cash dividends totaling NT\$58,780,506 have been proposed, for which the board of directors had authorized the Chairman during the meeting held on March 22, 2023 to set the baseline date and other details relating to the dividends once the proposal is passed by shareholders. Cash dividends shall be paid based on current number of shares held as at the baseline date, as shown on the shareholder registry. Cash dividends shall be paid at NT\$0.3 per share, rounded down to the nearest dollar. Fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income.
 - III. In the event that the distribution ratio mentioned in preceding paragraph is subject to an adjustment due to any subsequent changes to the number of outstanding shares caused by conditions such as changes of laws, adjustments made by the competent authorities or shares repurchase by the Company, the board of directors shall authorize the Chairman to make corresponding adjustments.
 - IV. This motion has been reviewed by the Audit Committee and approved by the board of directors, and is hereby presented for recognition during shareholders' regular meeting.
 - V. This motion is ready for recognition.

Resolution:

Chenming Electronic Technology Corporation

2022 Earnings Distribution Plan		Unit: NTD
Item	Amount	
Beginning retained earnings	206,313,178	
Add: Net profit after tax for current period	220,216,027	
Less: Legal reserve	(22,021,603)	
Plus: Reversal of special reserve	16,186,250	
Distributable earnings	420,693,852	
Items of distribution		
Dividends to shareholders – Cash dividends	(58,780,506)	
Ending unappropriated earnings	361,913,346	

Note: 1. The 2022 earnings will be distributed first.

2. Cash dividends were calculated at NT\$0.3 per share based on 195,935,018 shares outstanding as at March 22, 2023.

Chairman : Lin Mu-Ho General Manager: Lo Chih-Chi Chief Accountant: Su Chung-Ching

Five. Discussion Matters:

Discussions: (Proposed by the Board of Directors)

Subject: Amendments to the Company’s “Parliamentary Rules for Shareholders’ Meetings.”

- Explanation: I. Proposal to amend the Company’s “Parliamentary Rules for Shareholders’ Meetings” in accordance with TWSE’s announcement No. Tai-Zheng-Zhi-Li-1110004250 dated March 8, 2022. A comparison of existing and revised clauses is provided below:
- II. Please kindly resolve.

Resolution:

Comparison of Existing and Revised Parliamentary Rules for Shareholders’ Meetings

Amended clauses	Existing clauses	Explanation
<p>Article II</p> <p>An attendance log shall be prepared to record shareholders' attendance; alternatively, shareholders may present attendance cards to signify their presence. <u>The number of shares represented in a meeting is calculated based on attendance log records or the attendance cards collected and the number of shares represented on the video conferencing platform, plus the number of shares that have voting rights exercised in writing or through electronic means.</u></p> <p><u>In the case of a virtual shareholders' meeting, shareholders who wish to attend the meeting by way of video conference shall register their spot with the Company at least two days before the meeting.</u></p> <p><u>In the case of a virtual shareholders' meeting, the Company shall upload all relevant data such as the conference handbook and annual report onto the video conferencing platform at least 30 minutes before the meeting commences and disclose continuously until the meeting ends.</u></p>	<p>Article II</p> <p>An attendance log shall be prepared to record shareholders' attendance; alternatively, shareholders may present attendance cards to signify their presence. The number of shares represented by present shareholders shall be duly calculated based on the sign-in book or the sign-in cards submitted by the present shareholders.</p>	<p>Contents were added to Article VI for conformity with Regulations Governing the Conduct of Shareholders’ Meetings by Public Companies.</p>
<p>Article 4</p> <p>A shareholders’ meeting shall be convened at a venue where the Company is located or a location appropriate for a shareholders’ meeting to be convened. A shareholders’ meeting shall be convened at a timeframe not earlier than 9:00 a.m. or later than 3:00 p.m.</p> <p><u>Virtual shareholder meetings are not subject to the location restrictions stated in the preceding Paragraph.</u></p>	<p>Article 4</p> <p>A shareholders’ meeting shall be convened at a venue where the Company is located or a location appropriate for a shareholders’ meeting to be convened. A shareholders’ meeting shall be convened at a timeframe not earlier than 9:00 a.m. or later than 3:00 p.m.</p>	<p>Contents were added to Article V for conformity with Regulations Governing the Conduct of Shareholders’ Meetings by Public Companies.</p>
<p>Article VIII</p> <p>The chair should call the meeting to order at the appointed meeting time, and concurrently announce the number of shares represented in the meeting as well as the number of shares that are not entitled to voting rights.</p> <p>However, if current attendees represent less than half of the Company's outstanding</p>	<p>Article VIII</p> <p>The chair should call the meeting to order at the appointed meeting time, and concurrently announce the number of shares represented in the meeting as well as the number of shares that are not entitled to voting rights.</p> <p>However, if current attendees represent less than half of the Company's outstanding</p>	<p>Contents were added to Article IX for conformity with Regulations Governing the Conduct of Shareholders’</p>

Amended clauses	Existing clauses	Explanation
<p>shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. The chair shall dismiss the meeting if attending shareholders still represent less than one-third of outstanding shares after two postponements.</p> <p><u>In the case of a virtual shareholders' meeting, the Company shall also announce dismissal of the meeting over the video conferencing platform.</u></p> <p>If attending shareholders still represent more than one-third but less than half of outstanding shares after two postponements, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of The Company Act. This tentative resolution shall then be communicated to every shareholder and another shareholders' meeting shall be held within the next month. In the case of a virtual shareholders' meeting, shareholders who wish to attend the meeting by way of video conference shall re-register their spot with the Company in accordance with Article II.</p>	<p>shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. The chair shall dismiss the meeting if attending shareholders still represent less than one-third of outstanding shares after two postponements.</p> <p>If attending shareholders still represent more than one-third but less than half of outstanding shares after two postponements, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of The Company Act. This tentative resolution shall then be communicated to every shareholder, and another shareholder meeting shall be held within the next month.</p> <p>(Omitted)</p>	<p>Meetings by Public Companies.</p>
<p>Article XIII</p> <p>After a shareholder has finished speaking, the chair may answer the shareholder's queries personally or appoint any relevant personnel to do so.</p> <p><u>In the case of a virtual shareholders' meeting, shareholders who participate by way of video conference may raise queries through text over the video conferencing platform at any time after the chair announces commencement of meeting until the meeting is adjourned. These shareholders may not raise more than two queries of 200 words each per motion and are not subject to the rules outlined in Articles XI, XII, and XIV.</u></p>	<p>Article XIII</p> <p>After a shareholder has finished speaking, the chair may answer the shareholder's queries personally or appoint any relevant personnel to do so.</p>	<p>Contents were added to Article XI for conformity with Regulations Governing the Conduct of Shareholders' Meetings by Public Companies.</p>
<p>Article XX</p> <p><u>In the case of a virtual shareholders' meeting, the Company shall upload the outcome of each motion and election over the video conferencing platform in a manner that conforms with rules immediately at the end of each voting session and disclose continuously for at least 15 minutes after adjournment is announced by the chair.</u></p>		<p>Contents were added to Article XIX for conformity with Regulations Governing the Conduct of Shareholders' Meetings by Public Companies.</p>
<p>Article XXI</p> <p><u>In the case of a virtual shareholders' meeting, the chairperson shall, before adjournment of the meeting, announce to participants the meeting's postponement or resumption date set in the next 5 days if the video conferencing platform malfunctions or if the live stream discontinues persistently for 30 minutes or longer due to</u></p>		<p>Contents were added to Article XXI for conformity with Regulations Governing the Conduct of Shareholders'</p>

Amended clauses	Existing clauses	Explanation
<u>natural disaster, manmade incident or other force majeure event, and that postponement/premature adjournment is not subject to Article 182 of The Company Act.</u>		Meetings by Public Companies.
Article XXII The above rules shall take effect immediately once approved during shareholders' meeting; the same applies to all subsequent revisions.	Article XXI The above rules shall take effect immediately once approved during shareholders' meeting; the same applies to all subsequent revisions.	Adjustments were made to accommodate the newly added article.

Six. Elections

Elections: (Proposed by the Board of Directors)

Subject: Motion for the Election of Directors (including Independent Directors) of the Company.

- Explanation: I. Service of current directors is due to expire on June 11, 2023; proposal to elect 7 directors (including 3 independent directors) in accordance with The Company Act and the Articles of Incorporation during the shareholders' regular meeting scheduled for June 16, 2023.
- II. The new directors shall serve a term of three years starting from June 16, 2023 until June 15, 2026.
- III. Pursuant to the Company's Articles of Incorporation, the directors (including independent directors) shall be elected in accordance with the candidate nomination system. The list of candidates for directors (including independent directors) has been resolved by the Board of Directors and details are as follows:

Candidate category	Name	Number of shares held (shares)	Academic background	Work experience	Current position	Name of the represented government or juristic person	Already served as the independent directors for three terms consecutively?
Director	Lin Mu-Ho	30,000,230	MBA, Pacific Western University	Chenming Electronic Technology Corporation - Chairman	Chenming Electronic Technology Corporation - Chairman	None	Not applicable
Director	Lin Feng-Ran	6,612,310	Electronic Engineering, National Yunlin University of Science and Technology	Chenming Electronic Technology Corporation - Vice-Chairman	Chenming Electronic Technology Corporation - Vice-Chairman	None	Not applicable
Director	Lo Chih-Chi	573,958	Graduate Institute of Banking and Finance, Tamkang University	President of Chenming Electronic Technology Corporation	President of Chenming Electronic Technology Corporation	None	Not applicable
Director	Chen Hsiao-Chun	259,456	National Taiwan Normal	Xi Zhi Tang Gallery - General	Xi Zhi Tang Co., Ltd. - Person-in-charge	None	Not applicable

Candidate category	Name	Number of shares held (shares)	Academic background	Work experience	Current position	Name of the represented government or juristic person	Already served as the independent directors for three terms consecutively?
			University Post-graduate Program of Fine Arts Master of Arts Administration	Manager Chinese Artifacts Association - 15th chairperson			
Independent Director	Chou Liang-Cheng	-	Bachelor in Law, Fu Jen Catholic University	Chia Hua Law Firm - Attorney-at-law Xin Fu Law Firm - Attorney-at-law Chen Shyuu and Pun Law Offices - Attorney-at-law	Chia Hua Law Firm - Attorney-at-law	None	No
Independent Director	Chen Hung-Chang	-	Department of Accounting and Statistics, Kuo-Chi Junior College of Commerce	De Jang Tax Account Office - President Taiwan Tax Account Quality Assurance Association - Executive Director	De Jang Tax Account Office - President	None	No
Independent Director	Chen Chien-Chun	-	Department of Finance, Southern Taiwan University of Science and Technology	Ju Cheng CPA Firm - CPA Wells Fargo Bank - Accounting and Administrative Dept., clerk	Ju Cheng CPA Firm - CPA	None	No

IV. The election is ready to proceed.

Outcome of the election:

Seven. Other Motions:

Other Motions: (Proposed by the Board of Directors)

Subject: Motion to Remove Non-Competition Restrictions for New Directors.

- Remarks: I. As expressly provided for in Article 209 of the Company Act: A director who does anything for himself or herself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. For directors newly elected for the current session, it is proposed for Release the Prohibition on Directors from Participation in Competitive Business.

III. Concurrent business involvements of new directors are explained below:

Director	Currently holding the position that is within the scope of the Company's business.
Lin Mu-Ho	Dongguan Chenming Electronics Co., Ltd.- Chairman of Board Chenming Electronic (Ningbo) Co., Ltd.- Chairman of Board Unique Electronics (Kunshan) Co., Ltd. - Chairperson

IV. The motion is ready for resolution.

Resolution:

Eight. Extemporaneous motions

Nine. Adjournment of the meeting

Chenming Electronic Technology Corporation
2022 Business Report

Outbreak of COVID-19 and the war between Russia and Ukraine impacted economic activities on a global level throughout 2022. A global rise in the cost of raw materials, labor, and transportation has altered the cost structure and profitability of the Company's products, which Chenming responded to by making versatile production and sales arrangements and applying more rigorous cost controls throughout 2022 in an attempt to gain competitive advantage on the market. In the future, Chenming will continue observing market trends while adopting automated production and smart process management solutions to further improve production efficiency, product quality and overall competitiveness. In light of emerging trends such as AI, 5G, IoT and cloud-based services, Chenming will be undergoing aggressive digital transformation as a means to increase revenues, asset size and profits in shareholders' favor. The following is a report of the Company's 2022 business performance and outlooks for 2023:

Business performance and R&D outcome for 2022

The Company generated net consolidated revenues totaling NT\$6,519,734,000 in 2022, up 23.3% from the NT\$5,284,564,000 reported in 2021, and concluded net income of NT\$220,216,000 for 2022, which was equivalent to an EPS of NT\$1.17. In the coming year, the Company will continue adhering to its principles of pragmatism and grow businesses amidst intensive competition.

R&D outcomes

- (1) Completed the development of Full/Middle/Small Tower Gaming PC Chassis.
- (2) Completed the development and validation of I/O Modules for Gaming PC and Fanless mini PC.
- (3) Completed the development and validation of hard drive backplates for different servers.
- (4) Completed the development and validation of two 2U server chassis and I/O Modules.
- (5) Completed compatibility validation and stress testing for 2U servers.
- (6) Completed design validation for immersion Gaming PC.
- (7) Completed the development of LGA 4677 1U/2U passive heatsink and LGA 1700/1200 4U active heatsink.

2023 business prospect and R&D plans

As AI, IoT and cloud server industries mature, Chenming will apply its strong advantages in terms of resource integration and distribution network to explore further success in fields such as cloud server and data center, AI, IoT and 5G. The Company will also take the initiative to adopt Industry 4.0 and smart production, using automated equipment and physical as well as virtual platforms to assist in the creation of highly efficient logistics and management systems for more rapid service delivery and cost saving. By incorporating smart manufacturing and new technologies, the Company strives to ensure the sustainability of its growth.

R&D plan

- (1) Continue development of heatsinks for new Intel / AMD CPUs.
- (2) Development of standardized immersion cooling equipment.
- (3) Development of coolant circulation system for immersion cooling.
- (4) Development of charging piles/charging stations/outdoor server cabinets and related products.
- (5) Continue development of HAP (hydroxyapatite; materials for artificial bone).
- (6) Development of heat transfer/cooling tests and designs

Given the world-wide adoption of new technologies such as smart manufacturing, smart factory, IoT, AI, big data, cloud computing, cybersecurity and 5G, production and sale of consumer electronic parts and IT products still exhibit immense potentials in the future. The Company will keep aiming at intelligence, innovation, technological application, industrial evolution and cloud computing to upgrade its competitiveness and control the market opportunity.

By continuously improving the R&D, technology, quality and design ability to satisfy the trend for diversified products, sustain the steady and positive development for any competition from the industry in the future. We will endeavor for the sound corporate governance, implementation of corporate social responsibility and enhancement of shareholders' interests as a return of shareholders' support and expectation.

Chairman : Lin Mu-Ho General Manager: Lo Chih-Chi Chief Accountant: Su
Chung-Ching

Chenming Electronic Technology Corporation

Audit Committee's Review Report

We have reviewed the Company's 2022 business report, financial statements, and earnings distribution proposal prepared by the board of directors. The financial statements have been audited by CPA Michelle Wang and CPA Yvette Chien of KPMG, to which the firm issued an independent auditor's report. The Audit Committee found no misstatement in the above business report, financial statements, or earnings distribution and hereby issues its report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of The Company Act.

For:

2023 shareholders' regular meeting

Audit Committee convener: Chen Hung-Chang

March 22, 2023

Independent Auditors' Report

To the Board of Directors of CHENMING ELECTRONIC TECHNOLOGY CORP.:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

Please refer to Notes 4(n) "Revenue Recognition" and 6(q) "Revenue from Customer Contract" for accounting policy related to revenue recognition and information on revenue disclosure, respectively.

Description of key audit matters:

The Group is engaged in the manufacturing, research and development, and sale of computer cases and mobile device components. The sales revenue is a key matter in the consolidated financial statements, wherein the trade terms of revenue may affect the understanding of the users of the consolidated financial report. Therefore, revenue recognition is identified as a key audit matter.

Audit Procedure:

Our principal audit procedure included: testing the related controls surrounding the aforementioned sales and collection cycle, performing test on details of sales revenue, executing confirmation procedures for accounts receivable, and evaluating the accuracy of the timing of the revenue recognition, in order to determine whether the related accounting policies of the Company and its subsidiaries are applied appropriately.

Other Matter

CHENMING ELECTRONIC TECHNOLOGY CORP. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, 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 Supervisors) 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

KPMG
Taipei, Taiwan (Republic of China)
March 22, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance, and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Balance Sheet

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:						Liabilities and Equity					
1100	Cash and cash equivalents (note (6)(a))	\$ 411,222	6	222,648	3	2100	Short-term loans (note (6)(i))	\$ 40,000	-	1,030,771	15
1110	Current financial assets at fair value through profit or loss (note (6)(b))	800	-	-	-	2130	Current contract liabilities (note (6)(q))	2,791	-	674	-
1170	Trade receivables, net (notes (6)(c) and (6)(q))	2,643,333	37	2,199,511	31	2170	Trade payables	2,354,120	33	1,965,398	27
1310	Inventories, net (note (6)(d))	968,952	14	1,360,682	19	2200	Other payables	272,783	4	257,855	4
1476	Other current financial assets	32,545	-	1,182	-	2220	Other payables-related parties (notes (6)(e) and (7))	-	-	33,216	-
1479	Other current assets	91,940	1	83,984	1	2230	Current tax liabilities	50,148	1	526	-
		<u>4,148,792</u>	<u>58</u>	<u>3,868,007</u>	<u>54</u>	2280	Current lease liabilities (notes (6)(k) and (7))	2,028	-	6,690	-
Non-current assets:						2300	Other current liabilities	<u>1,005</u>	<u>-</u>	<u>585</u>	<u>-</u>
1600	Property, plant, and equipment (notes (6)(f), (7) and (8))	2,515,016	36	2,812,920	39			<u>2,722,875</u>	<u>38</u>	<u>3,295,715</u>	<u>46</u>
1755	Right-of-use assets (notes (6)(g) and (7))	186,985	3	224,544	3	Non-current liabilities:					
1760	Investment property, net (notes (6)(h) and (8))	227,778	3	195,162	3	2540	Long-term loans (note (6)(j))	1,334,900	19	1,663,458	23
1780	Intangible assets	8,219	-	14,084	-	2580	Non-current lease liabilities (notes (6)(k) and (7))	127	-	2,936	-
1840	Deferred income tax assets (note (6)(n))	5,402	-	5,780	-	2645	Guarantee deposits	26,152	1	8,062	-
1980	Other non-current financial assets (note (8))	8,656	-	20,463	-			<u>1,361,179</u>	<u>20</u>	<u>1,674,456</u>	<u>23</u>
1990	Other non-current assets	1,339	-	70,942	1			<u>4,084,054</u>	<u>58</u>	<u>4,970,171</u>	<u>69</u>
		<u>2,953,395</u>	<u>42</u>	<u>3,343,895</u>	<u>46</u>		Total liabilities				
Total assets		<u>\$ 7,102,187</u>	<u>100</u>	<u>7,211,902</u>	<u>100</u>		Equity attributable to owners of parent (note (6)(o)):				
						3100	Ordinary shares	1,959,350	28	1,559,350	22
						3200	Capital surplus	313,563	4	173,563	2
						3300	Retained earnings	795,688	11	575,472	8
						3410	Exchange differences on translation of foreign financial statements	(50,468)	(1)	(66,654)	(1)
							Total equity	<u>3,018,133</u>	<u>42</u>	<u>2,241,731</u>	<u>31</u>
							Total liabilities and equity	<u>\$ 7,102,187</u>	<u>100</u>	<u>7,211,902</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenue, net (note (6)(q))	\$ 6,519,734	100	5,284,564	100
5000 Operating costs (notes (6)(d), (6)(m) and (12))	5,958,702	91	5,024,252	95
5900 Gross profit from operations	561,032	9	260,312	5
6000 Operating expenses (notes (6)(m) and (12)):				
6100 Selling expenses	155,306	3	128,679	2
6200 Administrative expenses	219,414	3	196,805	4
6300 Research and development expenses	58,226	1	57,223	1
	432,946	7	382,707	7
6900 Net operating income (loss)	128,086	2	(122,395)	(2)
7000 Non-operating income and expenses:				
7050 Finance costs, net (note (6)(k))	(22,746)	-	(17,778)	-
7100 Interest income	2,707	-	1,741	-
7110 Rent revenue (notes (6)(l) and (7))	29,863	-	16,715	-
7190 Other income	15,826	-	9,104	-
7210 Gains (losses) on disposals of property, plant and equipment and investment property (notes (6)(f) and (6)(h))	(2,644)	-	-	-
7230 Foreign exchange gains (losses) (note (6)(s))	121,102	2	(6,856)	-
7590 Other expense and losses	(75)	-	(122)	-
	144,033	2	2,804	-
7900 Profit (loss) from continuing operations before tax	272,119	4	(119,591)	(2)
7950 Less: Income tax expenses (benefit) (note (6)(n))	51,903	1	(4,820)	-
	220,216	3	(114,771)	(2)
8300 Other comprehensive income (loss):				
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	16,186	-	(8,657)	-
8399 Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	16,186	-	(8,657)	-
8300 Other comprehensive income (loss)	16,186	-	(8,657)	-
8500 Comprehensive income (loss)	\$ 236,402	3	(123,428)	(2)
Profit (loss) attributable to:				
8610 Owners of parent	\$ 220,216	3	(114,939)	(2)
8620 Non-controlling interests	-	-	168	-
	\$ 220,216	3	(114,771)	(2)
Comprehensive income (loss) attributable to:				
8710 Owners of parent	\$ 236,402	3	(122,573)	(2)
8720 Non-controlling interests	-	-	(855)	-
	\$ 236,402	3	(123,428)	(2)
Earnings (deficits) per share (expressed in NTD) (note (6)(p)):				
9750 Basic earnings (deficits) per share	\$ 1.17		(0.74)	
9850 Diluted earnings (deficits) per share	\$ 1.17		(0.74)	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent						Other component of equity Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Retained earnings			Total retained earnings				
			Legal reserve	Special reserve	Unappropriated retained earnings					
Balance on January 1, 2021	\$ 1,559,350	131,819	297,782	81,209	358,201	737,192	(59,020)	2,369,341	91,015	2,460,356
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	4,723	-	(4,723)	-	-	-	-	-
Special reserve reversed	-	-	-	(22,189)	22,189	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(46,781)	(46,781)	-	(46,781)	-	(46,781)
Loss for the year ended December 31, 2021	-	-	-	-	(114,939)	(114,939)	-	(114,939)	168	(114,771)
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	(7,634)	(7,634)	(1,023)	(8,657)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	(114,939)	(114,939)	(7,634)	(122,573)	(855)	(123,428)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	41,744	-	-	-	-	-	41,744	-	41,744
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(90,160)	(90,160)
Balance on December 31, 2021	1,559,350	173,563	302,505	59,020	213,947	575,472	(66,654)	2,241,731	-	2,241,731
Appropriation and distribution of retained earnings:										
Special reserve appropriated	-	-	-	7,634	(7,634)	-	-	-	-	-
Profit for the year ended December 31, 2022	-	-	-	-	220,216	220,216	-	220,216	-	220,216
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	16,186	16,186	-	16,186
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	220,216	220,216	16,186	236,402	-	236,402
Capital increase by cash	400,000	140,000	-	-	-	-	-	540,000	-	540,000
Balance on December 31, 2022	\$ 1,959,350	313,563	302,505	66,654	426,529	795,688	(50,468)	3,018,133	-	3,018,133

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ 272,119	(119,591)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	524,194	291,375
Amortization expense	11,083	8,324
Expected credit gains	(154)	(36)
Net loss (gains) on financial assets or liabilities at fair value through profit or loss	153	(95)
Interest expenses	22,746	17,778
Interest income	(2,707)	(1,741)
Loss from disposal of property, plant and equipment and investment property, net	2,644	4,683
Profit from lease modification	(7,454)	-
Other	-	1,657
Total adjustments to reconcile profit	550,505	321,945
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(3,000)	(1,500)
Increase in trade receivables	(434,021)	(467,570)
Decrease (increase) in inventories	422,786	(395,267)
Increase in other current assets	(7,956)	(20,500)
Increase in other financial assets	(31,363)	(1,182)
Increase in contract liabilities	2,117	59
Increase in trade payables	378,275	707,554
Increase in other payables and other current liabilities	15,718	10,414
Total changes in operating assets and liabilities	342,556	(167,992)
Total adjustments	893,061	153,953
Cash inflow generated from operations	1,165,180	34,362
Interest received	2,707	1,741
Income taxes return (paid)	(1,823)	20,425
Net cash flows from operating activities	1,166,064	56,528
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,047	1,595
Acquisition of property, plant, and equipment	(693,822)	(1,771,879)
Proceeds from disposal of property, plant and equipment and investment property	550,934	-
Decrease in refundable deposits	11,807	6,135
Acquisition of intangible assets	(5,147)	(19,752)
Increase in prepayments for equipment and others	343	(68,589)
Net cash flows used in investing activities	(133,838)	(1,852,490)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(992,615)	733,811
Proceeds from long-term loans	842,983	1,523,458
Repayments of long-term loans	(1,171,541)	(482,000)
Increase in guarantee deposits	18,090	8
Decrease in other payables to related parties	(37,953)	-
Payment of lease liabilities	(12,791)	(13,273)
Distribution of cash dividends	-	(46,781)
Proceeds from issuing shares	540,000	-
Interest paid	(35,833)	(16,982)
Acquisition of non-controlling interests	-	(39,192)
Net cash flows from (used in) financing activities	(849,660)	1,659,049
Effect of exchange rate changes on cash and cash equivalents	6,008	(6,577)
Net increase (decrease) in cash and cash equivalents	188,574	(143,490)
Cash and cash equivalents at beginning of period	222,648	366,138
Cash and cash equivalents at end of period	\$ 411,222	222,648

Independent Auditors' Report

To the Board of Directors of CHENMING ELECTRONIC TECHNOLOGY CORP.:

Opinion

We have audited the financial statements of CHENMING ELECTRONIC TECHNOLOGY CORP. (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, and the statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Operating revenue and investments accounted for using equity method - subsidiary's operating income

Please refer to Notes (4)(h), Note (4)(n), Note(6)(e), and Note (6)(q) for accounting policy on investments accounted for using equity method, revenue recognition, information on investments accounted for using equity method, and revenue, respectively.

Description of key audit matters:

The Company and its subsidiaries, Dongguan Chenming Electronics Co., Ltd. and Chenming Electronics (Ningbo) Co., Ltd., are engaged in the manufacturing, research and development, and sale of computer cases and mobile device components. The sales revenue is a key matter in the consolidated financial statements, wherein the trade terms of revenue may affect the understanding of the users of the financial statements. Therefore, revenue recognition is identified as a key audit matter.

Audit Procedures:

Our principal audit procedure included: testing the related controls surrounding the aforementioned sales and collection cycle, performing test on details of sales revenue, executing confirmation procedures for accounts receivable, and evaluating the accuracy of the timing of the revenue recognition, in order to determine whether the related accounting policies of the Company and its subsidiaries are applied appropriately.

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 Supervisors) are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yi Wen Wang and Szu Chuan Chien.

KPMG
Taipei, Taiwan (Republic of China)
March 22, 2023

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China. The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2022		December 31, 2021		Liabilities and Equity	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note (6)(a))	\$ 76,031	1	92,391	2	2100 Short-term loans (note (6)(i))	\$ 40,000	1	799,200	15
1110 Current financial assets at fair value through profit or loss (note (6)(b))	800	-	-	-	2170 Trade payables	9,942	-	7,888	-
1170 Trade receivables, net (notes (6)(c) and (q))	1,314,111	25	1,098,258	20	2180 Trade payables to related parties (note (7))	828,190	15	606,214	11
1310 Inventories, net (note (6)(d))	1,244	-	2,317	-	2230 Current tax liabilities	46,835	1	526	-
1479 Other current assets	3,945	-	5,934	-	2200 Other payables	89,695	2	38,737	1
	<u>1,396,131</u>	<u>26</u>	<u>1,198,900</u>	<u>22</u>	2280 Current lease liabilities (note (6)(k))	1,292	-	3,093	-
					2300 Other current liabilities	452	-	448	-
Non-current assets:						<u>1,016,406</u>	<u>19</u>	<u>1,456,106</u>	<u>27</u>
1550 Investments accounted for using equity method, net (note (6)(e))	2,294,944	43	2,188,565	41	Non-Current liabilities:				
1600 Property, plant, and equipment (notes (6)(f) and (8))	1,498,585	28	1,727,973	33	2540 Long-term loans (note (6)(j))	1,334,900	25	1,640,000	31
1755 Right-of-use assets (note (6)(g))	1,270	-	4,335	-	2580 Non-current lease liabilities (note (6)(k))	-	-	1,292	-
1760 Investment property, net (notes (6)(h) and (8))	172,832	3	195,162	4	2645 Guarantee deposits	4,238	-	3,530	-
1840 Deferred income tax assets (note (6)(n))	5,402	-	1,705	-		<u>1,339,138</u>	<u>25</u>	<u>1,644,822</u>	<u>31</u>
1980 Other non-current financial assets	2,194	-	3,044	-		<u>2,355,544</u>	<u>44</u>	<u>3,100,928</u>	<u>58</u>
1990 Other non-current assets	2,319	-	22,975	-	Total liabilities				
	<u>3,977,546</u>	<u>74</u>	<u>4,143,759</u>	<u>78</u>	Equity attributable to owners of parent (note (6)(o)):				
					3100 Ordinary shares	1,959,350	36	1,559,350	29
					3200 Capital surplus	313,563	6	173,563	3
					3300 Retained earnings	795,688	15	575,472	11
					3410 Exchange differences on translation of foreign financial statements	(50,468)	(1)	(66,654)	(1)
						<u>3,018,133</u>	<u>56</u>	<u>2,241,731</u>	<u>42</u>
					Total equity				
Total assets	\$ 5,373,677	100	5,342,659	100	Total liabilities and equity	\$ 5,373,677	100	5,342,659	100

(English Translation of Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenue (note (6)(q))	\$ 3,200,380	100	2,928,076	100
5000 Operating costs (notes (6)(d) and (7))	3,034,293	95	2,779,555	95
5900 Gross profit from operations	166,087	5	148,521	5
6000 Operating expenses (notes (6)(m), (7) and (12)):				
6100 Selling expenses	33,067	1	29,475	1
6200 Administrative expenses	91,940	3	81,890	3
6300 Research and development expenses	25,971	1	22,639	1
	150,978	5	134,004	5
6900 Net operating income	15,109	-	14,517	-
7000 Non-operating income and expenses:				
7050 Finance costs, net (note (6)(k))	(14,689)	-	(14,680)	-
7100 Interest income	1,210	-	369	-
7110 Rent revenue (notes (6)(l) and (7))	13,797	-	14,464	-
7190 Other income (notes (6)(f), (h) and (7))	113,962	4	4,323	-
7230 Foreign exchange gains (losses), net	111,201	3	(9,628)	-
7590 Other expense and losses	(230)	-	-	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net	23,336	1	(122,535)	(4)
	248,587	8	(127,687)	(4)
7900 Profit (loss) from continuing operations before tax	263,696	8	(113,170)	(4)
7951 Less: Income tax expenses (note (6)(n))	43,480	1	1,769	-
Profit (loss)	220,216	7	(114,939)	(4)
8300 Other comprehensive income:				
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	16,186	-	(7,634)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	16,186	-	(7,634)	-
8300 Other comprehensive income (loss)	16,186	-	(7,634)	-
8500 Comprehensive income (loss)	\$ 236,402	7	(122,573)	(4)
Earnings per share (expressed in dollars) (note (6)(p)):				
9750 Basic earnings (deficits) per share	\$ 1.17		(0.74)	
9850 Diluted earnings (deficits) per share	\$ 1.17		(0.74)	

(English Translation of Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP.

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings			Total retained earnings	Other components of equity	Treasury shares	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings		Exchange differences on translation of foreign financial statements		
Balance on January 1, 2021	\$ 1,559,350	131,819	297,782	81,209	358,201	737,192	(59,020)	-	2,369,341
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	4,723	-	(4,723)	-	-	-	-
Special reserve reversed	-	-	-	(22,189)	22,189	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(46,781)	(46,781)	-	-	(46,781)
Loss for the year ended December 31, 2021	-	-	-	-	(114,939)	(114,939)	-	-	(114,939)
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	(7,634)	-	(7,634)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	(114,939)	(114,939)	(7,634)	-	(122,573)
Other changes in capital surplus:									
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	41,744	-	-	-	-	-	-	41,744
Balance on December 31, 2021	1,559,350	173,563	302,505	59,020	213,947	575,472	(66,654)	-	2,241,731
Appropriation and distribution of retained earnings:									
Special reserve appropriated	-	-	-	7,634	(7,634)	-	-	-	-
Profit for the year ended December 31, 2022	-	-	-	-	220,216	220,216	-	-	220,216
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	16,186	-	16,186
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	220,216	220,216	16,186	-	236,402
Capital increase by cash	400,000	140,000	-	-	-	-	-	-	540,000
Balance on December 31, 2022	\$ 1,959,350	313,563	302,505	66,654	426,529	795,688	(50,468)	-	3,018,133

(English Translation of Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ 263,696	(113,170)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	7,952	7,661
Amortization expense	1,489	1,030
Expected credit loss (gain)	(169)	364
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	153	-
Interest expense	14,689	14,680
Interest income	(1,210)	(369)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(23,336)	122,535
Loss from disposal of property, plan and equipment and investment property	(110,151)	-
Total adjustments to reconcile profit (loss)	(110,583)	145,901
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(3,000)	-
Increase in trade receivables	(215,684)	(409,141)
Decrease in inventories	1,073	3,316
Decrease (increase) in other current assets	1,989	(4,693)
Increase in trade payables (including related parties)	224,030	21,865
Increase (decrease) in other payables and other current liabilities	51,599	(5,974)
Other	(117)	9
Total changes in operating assets and liabilities	59,890	(394,618)
Total adjustments	(50,693)	(248,717)
Cash inflow generated from (used in) operations	213,003	(361,887)
Interest received	1,210	369
Income taxes paid	(868)	(4,631)
Net cash flows from (used in) operating activities	213,345	(366,149)
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	2,047	-
Acquisition of investments accounted for using equity method	(66,857)	(38,218)
Acquisition of property, plant and equipment	(163,497)	(1,010,050)
Proceeds from disposal of property, plant and equipment and investment property	550,934	-
Acquisition of intangible assets	(1,777)	(1,523)
Increase in prepayments for equipment and others	3,906	(21,082)
Net cash flows from (used in) investing activities	324,756	(1,070,873)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(759,200)	502,240
Proceeds from long-term loans	804,900	1,500,000
Repayments of long-term loans	(1,110,000)	(482,000)
Payment of lease liabilities	(3,093)	(3,147)
Distribution in cash dividends	-	(46,781)
Proceeds from issuing shares	540,000	-
Interest paid	(27,776)	(13,884)
Increase in guarantee deposits	708	260
Net cash flows from (used in) financing activities	(554,461)	1,456,688
Net increase in cash and cash equivalents	(16,360)	19,666
Cash and cash equivalents at beginning of period	92,391	72,725
Cash and cash equivalents at end of period	\$ 76,031	92,391

Attachment IV

Private securities placement and execution in 2022

Item	2022 first private placement Issuance date: April 7, 2022
Type of privately placed securities	common shares
Date of shareholders' meeting approval and amount approved	March 9, 2022; to issue up to 70,000,000 common shares.
Pricing basis and rationality	Reference price for this private placement of common shares will be determined based on the higher between: the arithmetic average closing price of common share 1, 3, or 5 business days prior to the pricing date, less stock and cash dividends while adding back share price after reversing the effect of capital reduction; or the arithmetic average closing price of common share 30 business days prior to the pricing date, less stock and cash dividends while adding back share price after reversing the effect of capital reduction. This private placement of common shares shall be priced according to the regulations of the authority. A special shareholders meeting will be convened to authorize the board of directors to determine the final pricing date and the price of private placement depending on the availability of potential subscribers and the prevailing market condition. The private placement should not be priced below 80% of the reference price mentioned above; if there is a need to price the private placement of common shares before face value on a later date due to change in market conditions, the price shall be determined in such a way that complies with the laws and reflects the market condition, to the extent that is necessary and reasonable. If the pricing method for this private placement of common shares, as described above, concludes a subscription price that is lower than the face value of shares and results in cumulative losses, the Company will, depending on business performance and market condition, attempt to cover such losses by way of capital reduction or using earnings or capital reserve, which should not adversely impact shareholders' equity.
Selection of specific subscribers	The Company will only approach parties that meet the requirements stated in Article 43-6 of the Securities and Exchange Act and Instruction No. (91)-Tai-Tsai-Cheng-I-0910003455 issued by the Financial Supervisory Commission on June 13, 2002 for subscription of this private placement of common shares.
Reasons for private placement	1. Reasons to forgo public offering: The Company has opted to raise capital via private placement after evaluating the conditions of the capital market and after taking into consideration the timeliness, accessibility, and cost of capital. This project is expected to strengthen competitiveness and improve operating performance of the Company and should have positive benefits on shareholders' equity. 2. Private placement limit: The Company will issue up to 70,000,000 shares in two placements within one year from the date of special shareholders meeting resolution made in 2022.

3. Expected number of private placements, use of capital and expected benefits for each placement:					
	Expected number of placements	Expected number of privately issued shares	Use of privately sourced capital	Expected benefits	
	First	No more than 40,000,000 shares	To provide working capital, improve financial structure, or meet the Company's capital requirements for future growth	To strengthen financial structure, improve business performance and raise overall competitiveness	
	Second	No more than 30,000,000 shares	To provide working capital, improve financial structure or meet the Company's capital requirements for future growth	To strengthen financial structure, improve business performance and raise overall competitiveness	
Payment completion date	Proceeds for the 40,000,000 shares issued in the first private placement were collected on March 14, 2022.				
Subscriber's background	Subscriber of private placement	Eligibility	Volume subscribed	Relationship with the Company	Involvement in the Company's management
	Lin Mu-Ho	Party selected in accordance with Article 43-6 of the Securities and Exchange Act	5,000,000	Chairman and director of the Company	Chairman and director of the Company
	Shang Mei Precision Industrial Co., Ltd.	Party selected in accordance with Article 43-6 of the Securities and Exchange Act	35,000,000	Major shareholder of the Company	None

Actual subscription (or conversion) price	NT\$13.5
Difference between the actual subscription (or conversion) price and the reference price	Actual subscription price for the current private placement of common shares: NT\$13.5. Reference price: NT\$13.71; subscription price of this private placement was set at 98.46% of the reference price and did not fall below 80% of the reference price resolved in shareholders' meeting.
Impacts to shareholders' equity following the private placement (e.g.: increase in cumulative losses...)	The shares were issued at premium and increased net worth per share to the benefit of shareholders.
Planned and actual usage of privately raised capital	The Company expects to use the fresh capital for working capital and for supporting future growth requirements starting from the second quarter of 2022.
Benefits of the private equity placement	The additional capital will help the Company strengthen competitiveness, improve business performance, expand and increase profitability.

Appendix I

Chenming Electronic Technology Corporation
Articles of Incorporation

Chapter I General Provisions

Article I: This Company is duly incorporated in accordance with the Company Act in the full name of Chenming Mold Ind. Corp. (hereinafter referred to as the “Company”).

Article II: The Company may engage in the following business activities:

- I. A variety of metallic machines, punching machines, steel molds, metallic electrical parts and components purchase, manufacturing, import and export, buy and sales.
- II. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
- III. CC01060 Wired Communication Mechanical Equipment Manufacturing.
- IV. CC01050 Data Storage Media Units Manufacturing.
- V. CC01070 Wireless Communication Mechanical Equipment Manufacturing.
- VI. CC01080 Electronics Components Manufacturing.
- VII. E605010 Computer Equipment Installation.
- VIII. F113070 Wholesale of Telecommunication Apparatus.
- IX. F213060 Retail Sale of Telecommunication Apparatus.
- X. F601010 Intellectual Property Rights.
- XI. I301010 Information Software Services.
- XII. I301020 Data Processing Services.
- XIII. I301030 Electronic Information Supply Services.
- XIV. I501010 Product Designing.
- XV. IE01010 Telecommunications Service Number Agencies.
- XVI. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article II~I: The Company is entitled to render guarantee business externally.

Article II~II: The Company is entitled to invest externally where the aggregate total of such outward investment may exceed 40% of the Company’s paid-in capital.

Article III: The Company is headquartered in Taipei City, Taiwan and may have branches set elsewhere at home and abroad as duly resolved by the Board of Directors.

Article IV: Public announcements of the Company shall be duly made according to Article 28 of Company Act.

Chapter II Shares

Article V: The Company has aggregate total capital in an amount of NT\$3 billion, divided into 300 million shares at Ten New Taiwan Dollars par value. The Board of Directors is bestowed with full power to issue the shares as necessary in installments.

Within the total capital mentioned in the preceding Paragraph, a NT\$200 million sum shall be reserved ready for issuance of employee stock option certificates, preferred shares attached with warrants or corporate

bonds attached with warrants in twenty million shares at Ten New Taiwan Dollars par value.

Article V~I: Where the Company intends to issue employee stock option certificates at price of issue below the price of the Company's common shares closed on the day of issue, a decision shall be duly resolved by two-thirds majority vote in the shareholders' meeting which is attended by shareholders who account for a majority of the Company's outstanding shares beforehand.

Where the Company intends to transfer shares to employees at a price below the average price in actual buyback, a decision shall be duly resolved by two-thirds majority vote in the latest shareholders' meeting which is attended by shareholders who account for a majority of the Company's outstanding shares beforehand.

Article VI: For the shares issued by the Company, the Company may be exempted from printing any share certificates for the shares issued but shall appoint a centralized securities custody enterprise to make a record of the issue of such shares.

Article VII: The Company issues owner-registered shares only. Every share certificate shall be legally certified and issued with signatures of directors capable of representing the Company.

Article VIII: Transfer of shares shall be discontinued within sixty (60) days prior to a shareholders' regular meeting, or within thirty (30) days prior to a special shareholders meeting, or within five (5) days prior to the base day scheduled to allocate dividends, bonuses or other interests.

Chapter III Shareholders' Meetings

Article IX: The shareholders' meeting of the Company is in two categories, i.e., shareholders' meeting and special shareholders meeting. The shareholders' regular meeting shall be duly convened by the board of directors once per annum within six months from the closing of each fiscal year. A special shareholders' meeting shall be duly convened according to law whenever necessary.

The Company may convene shareholder meetings by way of video conference or using other methods announced by the central authority.

Article X: A shareholder who is unavailable to attend a shareholders' meeting may duly issue a written proxy in the Company provided form, expressly bearing the scope of authorized powers to authorize a proxy to attend the meeting on his or her behalf.

Article XI: Each share held by a shareholder of the Company is entitled to one voting power except an event as set forth under Article 179 of the Company Act which is not entitled to voting power.

Article XII: Unless otherwise provided for in the Company Act, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting which is attended by shareholders who represent a majority of the total issued shares.

Chapter IV Directors and Audit Committee

Article XIII: The Company's directors shall be elected by shareholders' meeting from candidates of disposing capacity subject to the nomination system pursuant to Article 192-1 of the Company Act, with a three-year tenure

of office and eligible for reelection.

- Article XIII-I: Pursuant to Article 14-2 of Securities and Exchange Act, the Company has seven to nine directors, including at least two independent directors that make up no less than one-fifth of the board. In election of directors, each share is entitled to the electing power equivalent to the number of directors to be elected. Such election power may be used in concentration to elect one candidate or be allocated to elect several candidates. The candidates who win more election powers shall be elected the directors. The independent directors and non-independent directors shall be elected in the same package and the numbers of elected ones shall be calculated respectively.
- Article XIII-II: The Company's independent directors shall be duly elected in candidate nomination system. The Company's shareholders who hold over 1% of the total outstanding shares and the board of directors may nominate the candidates for independent directors. The board of directors shall review and screen those nominees and then submit the qualified nominees to the shareholders' meeting. The shareholders' meeting shall elect independent directors out of those qualified candidates for independent directors.
The nominated candidates for independent directors shall be duly accepted and promulgated in accordance with Company Act, Securities and Exchange Act and laws and ordinances concerned.
- Article XIII-III: The Company shall establish the Audit Committee consisting of all independent directors who shall be no less than three persons in number, one of whom shall be the Committee convener, and at least one of whom shall have accounting or financial expertise.
- Article XIV: Board of Directors shall be organized by directors. By attendance of two-thirds majority of directors and by a majority vote of the attending directors, one chairman and one vice chairman shall be duly elected. The chairman shall represent the Company externally.
- Article XV: During the chairman's absence or unavailability for performance of duties, the substitution shall be duly handled in accordance with Article 208 of the Company Act The Board meeting shall be duly convened in accordance with Article 204 of the Company Act. The notices for a Board meeting may be served in writing, by e-mail or by FAX. Where a director commissions another director to attend a Board meeting, the proxies shall be duly handled in accordance with Article 205 of the Company Act.
- Article XVI: For the remuneration to all directors, the Board of Directors is authorized with full powers to fix it based on the normal level prevalent in horizontal trades. The amount of travel or transportation allowance to directors shall be duly resolved by the Board of Directors. The remuneration to directors for their performance of duty shall be granted disregarding whether or not the Company operates at a profit. The Company may acquire liability insurance for the directors to lower and disperse their potential risks of critical impairment to the Company and to shareholders in case of a fault in their exercise of their duties.

Chapter V Managers

Article XVII: The Company has one general manager whom shall be duly appointed, discharged and paid in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article XVIII: Upon closing of each fiscal year of the Company, the Board of Directors shall work out: I. Business report; II. Financial statements and III. the motions for earnings distribution or compensation for deficit to be acknowledged by a general shareholders' meeting pursuant to laws.

Article XIX: Profit before tax and employee/director remuneration shall first be taken to offset previous losses; any surplus remaining shall then be subject to employee remuneration of no less than 2%, and director remuneration of no more than 2%.

The remuneration to employees and remuneration to directors may be distributed either in stocks or in cash at the percentages, which shall be resolved by a majority vote in the Board meeting which is attended by directors who account for two-thirds of the aggregate total of director seats. The percentages so resolved shall be reported to the shareholders' meeting.

The remuneration to employees may be distributed either in stocks or in cash and may be distributed to employees of subordinate company(ies) who satisfy the specified qualification requirements.

Article XIX-I: Annual surpluses concluded by the Company are first subject to taxation and compensation of previous losses, followed by a 10% provision for legal reserve and provision or reversal of special reserve as the laws or the authority may require. The residual balance is then added to unappropriated earnings accumulated from previous years, for which the board of directors will propose an earnings appropriation plan and seek resolution in a shareholders' meeting before distribution.

The Company may distribute earnings through cash dividends or stock dividends given consideration of the Company's financial standing and business performance and such factors and shall be preferentially distributed as cash dividends. The cash dividend shall be at the ratio not below 10% of the aggregate total dividend to be distributed in the year.

Chapter VII Supplemental Provisions

Article XX: Any matters inadequately provided for in these Articles of Incorporation shall be duly handled according to Company Act

Article XXI: The Articles of Incorporation were first enacted on June 4, 1976 amended on July 20, 1976 as the 1st amendment; amended on January 10, 1977 as the 2nd amendment; amended on June 26, 1982 as the 3rd amendment; amended on July 12, 1985 as the 4th amendment; amended on April 6, 1987 as the 5th amendment; amended on October 8, 1992 as the 6th amendment; amended on October 28, 1997 as the 7th amendment; amended on January 7, 1998 as the 8th amendment;

amended on June 30, 1998 as the 9th amendment;
amended on June 20, 1999 as the 10th amendment;
amended on May 24, 2000 as the 11th amendment;
amended on May 16, 2001 as the 12th amendment;
amended on May 20, 2002 as the 13th amendment;
amended on March 10, 2003 as the 14th amendment;
amended on June 6, 2003 as the 15th amendment;
amended on June 11, 2004 as the 16th amendment;
amended on June 10, 2005 as the 17th amendment;
amended on June 15, 2007 as the 18th amendment;
amended on June 13, 2008 as the 19th amendment;
amended on June 10, 2009 as the 20th amendment;
amended on June 9, 2010 as the 21st amendment;
amended on June 10, 2011 as the 22nd amendment;
amended on June 17, 2016 as the 23rd amendment;
amended on June 13, 2018 as the 24th amendment;
amended on June 14, 2019 as the 25th amendment;
amended on June 12, 2020 as the 26th amendment;
amended on June 17, 2022 as the 27th amendment.

Chenming Electronic Technology Corporation Procedure Rules for Shareholders' Meeting

- I. Unless otherwise specified in laws or Articles of Incorporation, shareholders' meetings shall proceed according to the rules stated herein. The Company shall prepare an electronic file that contains the meeting advice, a proxy form, a detailed agenda of topics to be acknowledged or discussed during the meeting, and notes on the election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before a shareholders' regular meeting, or 15 days before a special shareholders' meeting. At least 21 days before a shareholders' regular meeting or 15 days before a special shareholders' meeting, an electronic copy of the shareholders' meeting conference handbook and supplementary information shall be prepared and posted onto MOPS. Hard copies of the shareholders' meeting conference handbook and supplementary information also have to be prepared at least 15 days before the meeting and made accessible to shareholders at any time. These documents must be made available at the Company's premises and at the share transfer agent, and distributed on-site during the shareholders' meeting.

The meeting advice and announcement shall include a detailed agenda. Advices can be served in electronic form with the recipient's consent.

Motions concerning election or dismissal of directors or supervisors, amendment of Articles of Incorporation, capital reduction, going private, permission for directors' competing business involvement, capitalization of earnings, capitalization of reserves, dismissal of the Company, merger, divestment and any issues listed in Paragraph 1, Article 185 of The Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be notified in advance with summary explained as part of the meeting agenda, and cannot be raised in the form of a special motion.

If the shareholders' meeting advice has already been notified upfront of a full re-election of directors or supervisors with a specific duty commencement date, then no further changes can be made to the duty commencement date, whether through extraordinary motion or otherwise, when re-election is completed during the meeting.

Shareholders that own more than 1% of the Company's outstanding shares are entitled to propose motions for discussion in shareholders' regular meetings; each shareholder may only propose one motion; proposals above that limit will be excluded from discussion. The board of directors may disregard shareholder's proposal if the proposed motion exhibits any of the conditions described in Paragraph 4, Article 172-1 of The Company Act. Shareholders may propose motions that seek to increase the Company's efforts toward public interest or social responsibilities. These proposals are subject to the procedures outlined in Article 172-1 of The Company Act and are limited to one proposal only. Proposals that exceed this limit are excluded from the agenda.

The Company shall announce, before the book closure date of a shareholders' regular meeting, the conditions, methods (written or electronic), places, and time within which shareholders' proposals are accepted. The acceptance period must not be less than ten days.

Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the shareholders' regular meeting

in person or through proxy and participate in the discussion.

The Company shall notify each proposing shareholder the outcomes of their proposed motions before the date the meeting advice is sent. Meanwhile, motions that satisfy the conditions listed in this Article shall be included as part of the meeting advice. During the shareholders' meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from discussion.

- II. An attendance log shall be prepared to record shareholders' attendance; alternatively, shareholders may present attendance cards to signify their presence. The number of shares represented by present shareholders shall be duly calculated based on the sign-in book or the sign-in cards submitted by present shareholders.
- III. Attendance and votes in a shareholders' meeting are calculated based on the number of shares represented.
- IV. A shareholders' meeting shall be convened at a venue where the Company is located or a location appropriate for a shareholders' meeting to be convened. A shareholders' meeting shall be convened at a timeframe not earlier than 9:00 a.m. or later than 3:00 p.m.
- V. A shareholders' meeting shall be chaired by the chairman if convened by the board of directors. Where the chairman is on leave or unavailable to exercise his responsibilities and powers, the vice-chairman shall act as the substitute. If there is no vice chairman or where the vice chairman is unavailable to exercise the responsibilities and powers as well, the chairman shall appoint one managing director to act as the substitute. Where the chairman does not appoint a managing director, a managing director or a director shall be elected from among themselves to act as the substitute.
Where a shareholders' meeting is convened by a convener beyond the board of directors, that shareholders' meeting shall be chaired by that convener.
- VI. An Attorney-at-Law, a Certified Public Accountant or a person concerned commissioned by the Company may participate in a shareholders' meeting as a non-voting (guest) participant.
The staff taking charge of a shareholders' meeting shall wear identity certificates or armbands.
- VII. The entire process of a shareholders' meeting shall be audio recorded or videotaped and such audio record or videotape shall be archived for one year minimum.
- VIII. The chair should call the meeting to order at the appointed meeting time and concurrently announce the number of shares represented in the meeting as well as the number of shares that are not entitled to voting rights. However, if current attendees represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If attending shareholders still represent less than one-third of outstanding shares after two postponements, the chairperson shall dismiss the meeting. If attending shareholders still represent more than one-third but less than half of outstanding shares after two postponements, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of The Company Act. This tentative resolution shall then be communicated to every shareholder and another shareholders' meeting shall be held within the next month. If the number of shares represented accumulate to more than half of all outstanding shares as the meeting progresses, the chairperson may propose the tentative resolutions for final voting according to Article 174 of The Company Act.
- IX. Where a shareholders' meeting is convened by the board of directors, the agenda shall be fixed by the board of directors. The shareholders' meeting shall be duly

handled in accordance with the scheduled agenda which shall not be changed unless duly resolved in the shareholders' meeting.

The provision set forth under the preceding Paragraph is applicable mutatis mutandis to shareholders' meeting which is convened by a person beyond the board of directors.

Unless duly resolved, the chairperson shall not declare adjournment of the meeting until the issues set in the agenda in the two preceding Paragraphs (including extraordinary motions) are concluded.

After a shareholders' meeting is Adjourned, the shareholders shall not elect another chairperson to continue the meeting at the same venue or a new venue.

Where the chairperson proves in contravention of Procedure Rules for a Shareholders' Meeting by declaring adjournment of the meeting unlawfully, nevertheless, a new chairperson may be elected by a majority vote of the present shareholders to continue the meeting.

- X. A present shareholder shall fill out and submit the floor note, giving the gist of the speech, shareholder number (or code of the participation certificate) and name of account holder before he or she takes the floor. Then the chairperson may fix the order of floor.

A present shareholder who has submitted the floor note but does not take the floor is deemed as having not taken the floor. Where a present shareholder speaks contents inconsistent with the contents shown on the floor note, the contents actually spoken shall prevail.

While a present shareholder takes the floor, other shareholder(s) shall not speak to interfere with the floor unless consented by the chairperson and the speaking shareholder. The chairperson shall stop the offender, if any.

- XI. On the same issue, every shareholder shall not speak more than twice and shall not speak in excess of five (5) minutes in each floor.

Where a shareholder violates the provision set forth under the preceding Paragraph or speaks beyond the scope of the subject issue, the chairperson may stop his or her speech.

- XII. Where a juristic person is commissioned to participate in a shareholders' meeting as a proxy, that juristic person may assign only one person to participate in the shareholders' meeting.

A juristic person who assigns two or more representatives to participate in a shareholders' meeting may appoint only one person to take the floor on the same issue.

- XIII. After a present shareholder completes the floor, the chairperson may answer the floor either in person or by assigning a person concerned to respond.

- XIV. Where an issue is found having been discussed enough up to the extent of resolution, the chairperson may announce discontinuance from discussion and put that issue to vote.

- XV. For the voting process, the ballot scrutinizer and the tally clerk shall be appointed by the chairperson. The ballot scrutinizer shall, nevertheless, be appointed from among the shareholders.

The outcome of the voting process shall be reported on-the-spot and put into the minutes.

- XVI. During progress of the meeting, the chairperson may set an intermission as appropriate.

- XVII. Unless otherwise provided for in the Company Act and the Articles of Incorporation, the decision of an issue shall be resolved by a majority vote in the meeting which is attended by shareholders who represent a majority of the total issued shares.

During the voting process, an issue which proves to meet no objection in response to the inquiry by the chairperson is deemed duly passed in the validity same as an issue duly resolved through balloting process.

- XVIII. Where a same issue is accompanied with an amendment or an alternate, the chairperson shall rule the voting order for the amendment or alternate in consolidation with the original bill. Where one bill among them is passed, other bill(s) is(are) deemed having been vetoed without a need for voting any more.
- XIX. The chairperson may command picket personnel (or security guard(s) to maintain the order at the meeting venue. The picket personnel (or security guard(s) shall wear " picket personnel" armbands while serving the meeting site to maintain order.
- XX. This same provision is applicable mutatis mutandis to an event of amendment There Regulations shall be put into enforcement after being resolved in the shareholders' meeting.

**Chenming Electronic Technology Corporation
Regulations Governing Elections of Directors**

I. The election of the Company's directors shall adopt the open cumulative voting system. II. The election of the Company's directors (including independent directors) shall adopt the candidate nomination system. The candidates shall be nominated in accordance with the candidate nomination system referred to in Article 192-1 of the Company Act.

II. In election of directors, unless otherwise prescribed in the Articles of Incorporation, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates.

The overall composition of the Board of Directors shall be taken into consideration in the election of the directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operation, business type, and development needs. It is advisable that the policy shall include, without being limited to, the following two (2) general standards:

1. Basic Requirements and Values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

All board members shall possess the knowledge, skills and characters needed to exercise their duties. The board as a whole shall possess the following capacity:

1. Ability to make operating judgments;
2. Ability to perform accounting and financial analysis;
3. Ability to conduct management administration;
4. Ability to manage crises;
5. Industrial knowledge;
6. A global market view;
7. Leadership;
8. Ability to make decisions.

More than half of the Company's board members shall consist of persons who are neither a spouse nor a second-degree relative or closer to any director.

The Company's Board of Directors shall consider adjusting the composition of the Board members based on the performance appraisal results.

III. The Board of Directors shall work out election ballots in the number equivalent

- to the numbers of directors to be elected and shall fill out the weight numbers thereupon and distribute them to the present shareholders.
- IV. Before start of the election process, the chairperson shall appoint certain numbers of scrutinizer(s) and tally clerk(s) to exercise the duties concerned.
 - V. For election of directors, the Board of Directors shall prepare the ballot boxes which shall be opened and verified by scrutinizer(s) in public before balloting process.
 - VI. Where a candidate holds status as a shareholder, the electors shall fill out the shareholder's ID name and shareholder number in the box. Where a candidate is not a shareholder, the electors shall fill out the name and Identity Certificate Number of the candidate. Where a candidate is a government or juristic person shareholder, the box of account name on the election ballot shall be filled out with the name of government or juristic person or the name of representative of the government or juristic person. Where there are several representatives, the additional name(s) of the representative(s) may be filled out, respectively.
 - VII. The election ballots of directors shall be cast for independent directors and non-independent directors in consolidation and shall be elected, respectively.
 - VIII. An election ballot is null and void if meeting any among those enumerated below:
 - (I) Not as an election ballot stipulated under these Regulations.
 - (II) Where a blank election ballot is put into the ballot box.
 - (III) Where the election ballot bears illegible wording or has been tampered with.
 - (IV) Where the shareholder account name, shareholder number is found inconsistent with the entries in the shareholders register if the candidate is a shareholder; or where the name and Identity Certificate Number are found non-conforming through verification if the candidate is not a shareholder.
 - (V) Where the ballot is found containing wording other than the candidate's account name (name) or shareholder account number, name of the shareholder (Identity Certificate Number) and the distributed weight number.
 - (VI) Where the candidate's account name (name) or shareholder account number is found absent on the election ballot.
 - (VII) Where the same election ballot is named two or more candidates.
 - IX. The Company's directors shall be elected by the shareholders' meeting from candidates with disposing capacity. Based on the quota specified under the Articles of Incorporation and the statistical outcome of election ballots, the candidates who win more votes shall be elected as independent directors and non-independent directors, respectively. Where two or more candidates win the same election weighted number but go beyond the specified quota, those

candidates who win the same weighted number shall draw lot to decide the final winner. The chairperson shall draw lots on behalf of an absent candidate.

A candidate who is elected as a director simultaneously according to Paragraph I shall choose to serve as the director at his or her discretion. Where an elected director is checked and found inconsistent with his/her personal information or the election is found invalid pursuant to related laws and regulations, a candidate winning the second highest votes in the same election process shall be announced to fill the vacancy at the given shareholders' meeting.

- X. Independent directors are subject to the eligibility criteria outlined in Articles 2, 3 and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Election of independent directors is subject to comply with Articles 5, 6, 7, 8 and 9 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and Article 24 of "Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies."

- XI. The ballot box shall be opened in public upon completion of the balloting process. The outcome of ballot opening shall be announced by the chairperson on-the-spot.
- XII. The winning in an election is null and void if found inconsistent with the requirements set forth under Paragraphs 3, 4 of Article 26 of Securities and Exchange Act.
- XIII. The Company's Board of Directors shall issue election notices to the elected directors.
- XIV. Any matters not adequately provided for in these Regulations shall be subject to handling in accordance with the Company Act, Articles of Incorporation and laws and ordinances concerned. .
- XV. These Regulations shall be put into enforcement after being passed in the shareholders' meeting. This same provision is applicable mutatis mutandis to an event of amendment.

Appendix IV

**Chenming Electronic Technology Corporation
Directors' Shareholding**

Record date: April 18, 2023

Title	Name	Date when elected	Number of shares held when elected			Number of shares held currently.			Remarks
			Type of share	Number of shares	Percentage to total outstanding shares (%)	Type of share	Number of shares	Percentage to total outstanding shares (%)	
Chairman	Lin Mu-Ho	June 12, 2020	common shares	25,000,230	16.03%	common shares	30,000,230	15.31%	
Vice-Chairman	Lin Feng-Ran	June 12, 2020	common shares	6,612,310	4.24%	common shares	6,612,310	3.37%	
Director	Chen Hsiao-Chu	June 12, 2020	common shares	259,456	0.17%	common shares	259,456	0.13%	
Director	Lo Chih-Chi	June 12, 2020	common shares	573,958	0.37%	common shares	573,958	0.29%	
Independent Director	Chou Liang-Cheng	June 12, 2020	common shares	0	0.00%	common shares	0	0.00%	
Independent Director	Chen Hung-Cha	June 12, 2020	common shares	0	0.00%	common shares	0	0.00%	
Independent Director	Chen Chien-Chu	June 12, 2020	common shares	0	0.00%	common shares	0	0.00%	
Total				32,445,954			37,445,954		

Total outstanding shares as at June 12, 2020: 155,935,018 shares

Total outstanding shares as at April 18, 2023: 195,935,018 shares

Note: Minimum required shareholdings across all directors: 11,756,101 shares; shareholdings as at April 18, 2023: 37,445,954 shares

◎ Shares held by independent directors do not count toward director' shareholding.

◎ The Company has assembled an Audit Committee, therefore supervisors' minimum shareholding requirements do not apply here.