

# **AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED**

## **2023 Annual Shareholders' Meeting Agenda**

Time: June 19, 2023 (Mon) 9 am

Address: Conference room, 4F, No.2-1, Section 1, Jinan Rd, Taipei  
(National Taiwan University Alumni Hall)

I. Call Meeting to Order

II. Chairperson's remarks

III. Report Items

(I) 2022 Business Report

(II) Audit Committee's Review Report on the 2022 Business Report and  
Financial Statements

(III) Report on the Distribution of Remuneration for Employees and Directors  
of 2022

(IV) Amendments to the Corporate Sustainability Code of Practice

IV. Recognition

(I) Adoption of 2022 Business Report and Consolidated Financial Statements  
of the Company

(II) Adoption of 2022 Earnings Distribution Statement of the Company

V. Discussion Items

(I) Issue new shares by capital increase from surplus

(II) Amendments to the "Articles of Association".

VI. Election Matters

Election of one additional independent director

VII. Extempore motion

VIII. Adjournment

## Report Items

- I. 2022 Annual Business Report, submitted for approval.

Note: Please refer to page 11 of this handbook for the 2022 Business Report of the Company (Attachment I).

- II. Audit Committee's Review Report on the 2022 Financial Statements, submitted for approval.

Note: For the Report of the Audit Committee on Review of the Financial Statements for the Year 2022, please refer to page 20 (Attachment II) of this Handbook.

- III. Report on the Company's 2022 Distribution Status of the employees' and directors' remuneration, submitted for approval.

Description:

1. According to the Articles of Association 14.5, if the Company has a profit for the year, 5% ~ 10% employee remuneration shall be allocated, and the remuneration of directors shall not be more than 3%.

2. In 2022, distribution of employees' remuneration and directors' remuneration according to the provisions of the Articles of Association:

Unit: NT\$

Item	Amount	Ratio in profit
Employee's remuneration	28,807,834	5%
Directors' remuneration	8,642,349	1.5%
Total	37,450,183	6.5%

Note: The remuneration to employees and Directors were consistent with the estimated expense in 2022.

3. The remuneration for employees and directors is paid in cash.

- IV. The Company intends to amend the Corporate Sustainability Code of Practice to draw a public reference.

Explanation: In line with the international development trend, enterprises should focus on the concept of CSR to enterprises should focus on sustainable development, implement the goals of sustainable development, strengthen the company's implementation of sustainable development, and improve the quality of sustainability information disclosure. The name is "Code of Practice on Corporate Sustainability" and some provisions. Please refer to pages 34-42 (Attachment V) of this handbook.

## Recognition

### Case 1

Proposed by the Board of Directors

Proposal: To accept the Company's 2022 Business Report and Consolidated Financial Statements.

Description:

- I. The Consolidated Financial Statements of the Company for the Year 2022 have been audited by CPAs Wang Guohua and Liu Zimeng from PwC Taiwan, and have been approved by resolutions of the Fourth Session of the Fifth Audit Committee and the Fourth Session of the Fifth Board of Directors.
- II. The 2022 Annual Business Report (please refer to pages 11-19 (Attachment I) of this handbook), the CPA's Audit Report and the Consolidated Financial Statements (please refer to pages 21-32 (Attachment III) of this handbook) are attached, which are submitted for approval.

Resolution:

### Case 2.

Proposed by the Board of Directors

Cause: Adoption of the 2022 Earnings Distributions

Description:

- I. The company's initial undistributed surplus was NT\$0, plus the re-measure of the determined benefit plan of the current change of NT\$4,818,341 and 2022 net income after tax was NT\$473,197,491, minus 10% legal surplus product listed in accordance with the law NT\$47,801,583 and a special surplus fund - The exchange of financial statements of foreign operating institutions is NT\$17,136,110, and the distributable surplus is NT\$413,078,139.
- II. This year, it is estimated on the ex-dividend record date that the cash dividend will be NT\$72,772,246 with estimated amount of NT\$0.5 per share, while the stock dividend will be NT\$72,772,250 with estimated amount of NT\$ 0.5 per share. The fractional dollar amount which is less than one New Taiwan Dollar, if there is any, will not be distributed and will be recognized by the company as other income. It is proposed the Board of Directors be authorized to determine the record date and the payment date that the cash and stock dividends will be distributed.
- III. If the foregoing matters affect the number of outstanding shares due to factors such as the conversion of the Company's corporate bonds, which lead to changes of dividend payout ratio, it is proposed the Board of Directors is authorized to adjust it.
- IV. Please refer to page 33 of this handbook (Attachment IV) for the 2022 Earnings Distribution Table.

Resolution:

## Discussion

### Case 1

Proposed by the Board of Directors

Cause: Submit the Company's intention to issue new shares for capital increase from retained earnings for discussions.

Description:

- I. The Company proposed to contribute NT\$72,772,250 from the distributable earnings in 2022 to increase the share capital and issue 7,277,225 new shares at face value of NT\$10 per share. The newly issued shares with the increased share capital would be allocated in accordance with the Shareholders' Registrar on the record date for stock dividend, i.e. 50 shares for each 1,000 shares. The shareholders can compile fractional share into one share, and register it with the Shareholders' Registrar within five days from the record date for distribution of share dividend. The Company would pay cash instead for such stock dividend (calculated to NTD and rounded down to an integer) for any failure to make the fractional share into one share by shareholders and the chair is to be authorized to offer the shares to specific persons.
- II. Rights and obligations of the new shares are the same as those of the original shares.
- III. In the future, if the number of outstanding shares is affected by factors such as the conversion of the Company's corporate bonds, cancellation of treasury stock or transfer of employees, which leads to changes of shareholders' allotment ratio, it is proposed the Board of Directors is authorized to adjust it.
- IV. IV. Upon the approval of the shareholders' meeting, it is proposed that the Board of Directors is authorized to determine the record date and payment date for issuance of new shares, and other relevant issues.
- V. Submit for resolution.

Resolution:

### Case 2.

Proposed by the Board of Directors

Case by: "Articles of Association" amendment, drawing for discussion.

Description:

- I. The Company intends to amend some of the provisions of the Company's Articles of Association in order to meet the actual operational needs and laws and regulations.
- II. Please refer to page 43-46 of this handbook for The Comparison Table of Amendments (Attachment VI).
- III. Submitted for special resolution.

Resolution:

## Election Matters

### Case 1

Proposed by the Board of Directors

Case by: Election of one independent director.

Description:

1. According to the provisions of “Main Points to be followed by the Board of Directors of Listed Companies”, the chairman and general manager or equivalent officer of a listed company are the same person or mutual spouse or relative, shall set up no less than four independent directors by December 31, 2023.
2. The chairman and general manager of the company are the same person. According to the regulations, four independent directors should be set up by December 31, 2023, to comply with the laws and regulations, to elect an independent director.
3. According to the Articles of Association 34.5, the nomination system for the election of all directors is the same as the tenth term of the Board of Directors of the Company. The term of office of the new independent directors is from the date of election to June 27 2024.
4. The list of Director candidates has been reviewed and approved by the Company's Board of Directors on March 15, 2023. The relevant information is hereby stated as follows:

Serial Number	Account Number	Name	Personal Identification Card No.	Academic Background	Experiences	Current Job	Type of Nominees	Representative of government or juridical entity	Served as an Independent Director for Three Consecutive Terms
1	None	Hsu Shih-hsu	D12084XXXX	Department of Law, Fu Jen Catholic University	Director, Poli Christian Hospital, Director, Tainan Private Guanghua Senior High School, Advisory Committee of Tainan City Government Police Bureau	Attorney at Anderli, Supervisor of Tainan Private Guanghua Senior High School	Independent Director	None	No

5. Submit for Election.

Election results:

Extempore Motion

Adjournment

## **Attachment I Business Report**

### **I. Business report.**

#### **I. Introduction**

In 2022, the world economy continued to spread more than three years of COVID-19, the geopolitical crisis environment of the Russian-Russian war conflict, with the background of FED's sharp interest rate hike, and multiple factors accompanied by deglobalization and supply chain transfer, resulting in a surge of inflation, loss of consumption and bulk in the world High-grade raw materials, resulting in the external harsh plight of production and sales constraints was the first time since the Great Depression of the last century. In view of the outside environment, there are many serious challenges to our operations in 2022. However, through the active efforts of management and all staff, the proportion of revenue impact is still unacceptable, although unhappy but generally better than the peers, the overall profit situation has turned positive, of which part of the industry still has a loss but has improved from the previous period. The Company examines the operating performance in 2022, including product line strategy in China market, diversification and model change of online channels, deep optimization of production policy and configuration, effective human resources adjustment, and quality customer development for export, and orderly push for new sales channels for end consumers. Moving and first results. The company's long-term goal is to develop smart home appliance products as the core, in the product online development, expand the diversified benefits of channels, and always improve quality as the enterprise connotation and reconstruct the brand image, in order to create the company's sustainable business value.

In 2022, the fine operation and manufacturing structure efficiency adjustment continued to deepen reform, integrate company resources, strengthen the company's core product quality and marketing efforts. In promoting product price/performance ability, while reshaping the brand power and channel stickiness, the production and sales of home appliances that meet the current consumer environment and end consumers to enhance the needs of better life, in order to ensure product added value and gain brand premium, with the continuous and effective promotion of these strategies. In the post-pandemic environment, we will actively improve the performance of operations in 2023.

The following is a report on the Company's operations for 2022 and future prospects for 2023:

The Company is the ultimate parent company of the Group after its listing, mainly

responsible for investment holding. Its production base is primarily located in Shenzhen City, Guangdong Province, and Jiujiang City, Jiangxi Province in China. The consolidated operating revenue in 2022 is NT\$9.22 billion, and the consolidated net profits after tax (PAT) is NT\$473 million. The consolidated net profit per share after tax is NT\$3.25. Looking forward to 2023, the internal and external economic and business challenges, the company in the face of the internal and external consumer market quality, quantity changes and small home appliance industry competitive situation, we will strengthen the operation of each subsidiary's deep meticulous management and overall synergy, smooth supply chain system About the link, actively explore new customers in new markets and deepen the whole process of customer service, and grow closely with major and high-quality customers, and build a sustainable ESG main enterprise with the core values of the company.

Looking forward to the future development of the company, after the release of the epidemic in mainland China, it is expected that the company's sales situation will jump first, gradually better. In the face of deep changes in consumption patterns and demand, we seek to seize the opportunity to quickly meet the diversified competition in the small home appliance market in Mainland China, and the demand and trend of the domestic and foreign market due to inflation and global economic situation, the Company and the Group's investment subsidiaries will be fast. Rapid response to market changes is the focus, both steadily cultivate existing customer base and expand the breadth of customer cooperation and expand quality new customers; Since the listing, the management team and all employees have a motto in line with the integrity of the company's business foundation, show a pragmatic attitude, committed to the business operation, for small home appliances industry To provide the best products that meet market needs, we hope to create the best interests of all shareholders and employees to give back to their aspirations. We continue to adjust the operation of the company under various effective adjustments, reduce the efficiency, the added value of the company's real estate will continue to generate returns and cash flows. With all of the above, we will break out of the shackles and take small steps to show our achievements in the future, in order to reward and be grateful to our shareholders for their continuous support.



## II.2022 Business Results

### (I) 2022 Business Plan and Implementation Results

Unit:NTD Thousand

Item	2022 Audit	2021 Audit	Growth Rate
Consolidated operating revenue	9,220,863	10,156,591	-9.21%
Consolidated operating profit	1,444,720	1,122,400	28.72%
Consolidated net profit	-242,971	-365,514	33.53%
Consolidated Net Operating Revenues	781,677	12,685	6062.22%
Consolidated Income Before Tax	538,706	-352,829	252.68%
Income tax expense	-65,509	45,602	-243.65%
Consolidated total profit and loss	473,197	-307,227	254.02%

### (II) Financial revenue and profitability

Item	Year	2022	2021
Financial Structure	Liabilities to assets(%)	63.57	72.29
	Current ratio(%)	103.35	107.42
Liquidity analysis	Speed ratio(%)	61.88	61.98
	Return on assets (%)	5.31	-2.94
Profitability	Return on shareholders' equity (%)	15.85	-10.42
	Net profit margin (%)	5.13	-3.02
	Earnings per share (NT\$)	3.25	-2.11

### (III) Annual Research and New Technology Development Situation

#### 1. Results of annual research and new technology development

- (1) Development of PTC Electric Heaters with Large Air Volume
- (2) Design and Development of Water-cooled Fans with Cooling Chip Components (substitute for ice crystals)
- (3) Design and development of inverter window air conditioner
- (4) Application of electrolyzed water sterilization technology
- (5) Application of Natural Humidification Technology of Hydrophilic Humidification Pan
- (6) Clothes drying and heating integrated electric heater
- (7) Superconducting cooling and heating loop fan
- (8) Research on the Sterilization Function of Fresh Air Products
- (9) Research on the Sterilization Function of Yuba Products
- (10) Light Touch
- (11) Inner Winding Motor Development
- (12) Development of flame skirting series electric heaters
- (13) Development of flame (colorful) humidifier
- (14) Heating Gasification Humidifier Development
- (15) Heating type cooking machine development
- (16) Development of Small Mobile Air Conditioner (Compressor)
- (17) Development of Small Split Mobile Air Conditioner (Compressor)
- (18) Development of refrigeration chip beer machine
- (19) Warm board product development
- (20) Intelligent sugar cup development
- (21) Product development with smart camera

#### 2. Future research and technology development plans

- (1) Short-term business development plans
  - A. Development and research of wireless steam cleaning sweepers, floor washers, personal health and care products, and pet line products.
  - B. Continuous increase of research on the application of semiconductor refrigeration chip and radar, battery and refrigeration chip small refrigerator.
  - C. Design and development of humidifier with large humidification capacity (2.5 liters/hour).
  - D. Research and development of new-type electric heaters (flaming mountain,

footline with closeable air outlet; graphene heating element).

E. Continue to increase the development and application research of pin structure and high power internal winding motors.

F. continue to introduce and apply new technologies such as voice recognition (offline + online), motion monitoring, gesture recognition, etc. to various products.

G. Hydroxide ion air-cleaning ceiling fan development.

H. Development of products with compressors.

(2) Long-term business development plans

A. Development of a series of home appliances for personal health, care and cleaning (disinfection, sterilization).

B. Development of medical product series.

C. The Company plans to research the application of smart home appliance sensors and human-computer interaction (voice control).

D. Research on various composite air processors (cooling, heating, humidifying).

E. Development of DIY fresh air products.

F. Development and application research of high cost-effective external rotor DC motors.

G. Development and research on the application of pet products

H. Development of products with compressors

### **III. Operating Plan Overview of the Year**

1. Focusing on strengthening the brand development of Airmate, becoming a leading small home appliance company with competitiveness and core values in domestic and foreign sales in Mainland China, ensuring quality and quantity advantages, and strengthening the win-win cooperation with suppliers and customers.
2. Continue to promote the localization and indigenization of talents in each company, establish a group enterprise management model, commit to the company's product strength and continue to develop new products, new customers and new markets, improve production optimization technology, continue to invest in efficient production lines and reasonably manage and control expenses and costs, to make the company's operations aggregating profits.

3. Attach importance to the integration of labor and management, create maximum profits for employees and shareholders, and fulfill corporate social responsibilities.

## (II) Sales Volume Forecast and the Basis

The main markets of the company's reinvested subsidiaries are located in mainland China, Northeast Asia, Southeast Asia, and Europe and the United States. Therefore, the estimated annual sales volume is mainly based on local industry-related statistical data, major customer information feedback and judgments on future market supply and demand. In summary, the sales of the small home appliance business will experience a steady and significant growth in volume and amount compared to 2022.

## (III) Significant Sales and Production Policies

### 1. Export

- Product sales in the Japanese and Korean markets and European and American markets maintained are steady growing in two quarters, actively developing customers in different industries, assisting customers in developing new products to tap the Southeast Asian market.
- Focus on key customers and keep in touch with the technical team, deepen the development and technical adhesion, we increase the number of product development (enhance the patent layout, patent licensing customers), in order to win orders.
- We comprehensively enhance the export business services including customer service platform channel integration, IDM services, multiple sales with one machine, R&D awards, patent sharing and online sales, etc., to improve service quality.
- Consolidate the sales channel base of export customers, more international marketing channels of cross-border e-commerce platforms, and continue to promote their own brand products on the international stage.

### 2. Offline operation in China

- Team Integration: The national offline teams are divided into two regions, south and north, with 2 large regional directors established. We have increased operation support centers, promoted data-based operations, and conduct more

accurate and efficient management close to the market, and enhance the brand's service power to distributor partners and consumers in the new retail era.

- Accurate focus on products: focus on hot products, reduce SKUs, fit the market, ensure sales efficiency, and improve the integration of production and sales operations. At the same time, focus on the inventory turnover rate and amount of dealers and factories, reduce the inventory of dealers and factories at the end of seasons, and finally realize order-based production.
- Channel continued to plowing: channel network breadth development expanded, continued to build more than 2000 Emmitt county city/township image store. In addition, 3C, super system to strengthen the consumer experience, with the store image input, shopping guide sales ability training, to achieve the proportion of Emmitt single store retail sales and high-end product sales growth.
- Embrace new channels: actively embrace new sales channels, offline network batch, community group buying platform, Jingdong store, Tmall Premium, actively expand new sales channels, increase the line meet rate, achieve greater brand exposure and output.

### 3. Online operation in China

- Multi-platform benign development: For different online consumer groups and sales models on Taobao Tmall, JD Mall, Suning, Vipshop, and live broadcast, we have developed marketable and differentiated product combinations suitable for each platform to meet the needs of different consumers. Emphasize the development of other new sales channels such as Pinduoduo, Yunji, and NetEase Yeation. Establish vertical integration of sales and production to improve brand share across the network and channels. In addition, we are involved in the new type of sales of the secondary e-commerce channel. We target the market through emerging focus private domain traffic channels such as short-form video e-commerce, content e-commerce, information flow e-commerce, etc.
- Utilizing the high efficiency and high focus characteristics of the online platform, focus on dryers, dehumidifiers, ventilation fans, yuba, foot baths, steam mop and other niches small household appliances market, to increase the brand's higher sustainable performance growth target.
- Marketing Transformation: Fully embrace mobile Internet marketing, use emerging media, deeply interact with young consumers through social media such as live streaming, short video, Weibo, WeChat official accounts, and

Xiaohongshu, to achieve a younger brand consumer base and enhance Airmate's visibility and reputation among various consumer groups, and improve the brand's influence.

- Visual system: Comprehensively improve the visual system: In the era of online marketing, content capabilities are becoming one of the core capabilities of the enterprise. We have established a visual center to unify the visual content system specifications of the brand, export high-quality marketing content, better disseminate the Airmate brand, and improve brand power.
- Launched outdoor appliances: according to the development trend of the Chinese market, Emmitt launched outdoor series appliances, including outdoor camping air conditioning, outdoor folding fan, outdoor multi-function dun cup, and other products, combined with outdoor scene matching home appliance supply, we believe in creating a more relaxed and comfortable outdoor life experience, we believe in The outdoor appliance market will usher in huge demand and market growth.

#### **IV. The company's future development strategy**

The company and its subsidiaries will continue to focus on the development of the industry, develop competitive high margin products and continuous improvement, research and development of new technologies, and the pursuit of win-win cooperation with relevant stakeholders. The company is fully committed to the maintenance of brand power and customer loyalty, while actively responding to, exploring, and satisfying the deep needs of end customers in the market, and gaining recognition and orders from new markets, new customers, and new products through immediate response to market changes, thereby forming a flagship brand in the small home appliance market.

#### **V. Affected by external competition environment, regulatory environment and overall business environment**

##### **(1) Influence of external competition environment**

Small home appliance industry is in a variety of fierce competition environment, the company and its subsidiaries will continue to play to the existing advantages to adapt to market and strengthen product differentiation, and effectively control costs and inventory to reduce the impact of external competitive environment, and take advantage of the opportunity of some peers to expand the company's market position.

(2) Influence of legal environment

The Company and affiliated companies have not undergone or faced any loss from country or region where there is influence of legal environment changes in recent years.

(3) Influence of overall operation environment

At present, the company's investment subsidiary production and operation is located in mainland China, the market environment of the local small home appliance industry is still competitive, the global climate is dark, yet to be ready to see, but as mainland China fully accelerate the economic stimulus action, to consumer upgrade and people on product quality and The pace of the new application pursuit, the overall evaluation of the future is still cautious and optimistic.

Respectfully, Peace and Joy, Long Blessings

Airmate (Cayman) International Co Limited

Chairman of Board: Rui-Bin Shih

President: Rui-Bin Shih

Account Manager: Mei-Hsiu Ho

## Attachment II Report of the Audit Committee

### **Audit Committee Consent Report**

The Audit Committee agrees, by resolutions of the Board of Directors, that the Consolidated Financial Statements of the Group for the Year 2022 shall be audited by PwC Taiwan appointed by the Board of Directors, for which the said firm shall issue an audit report with unqualified opinion together with other matters.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

The CPAs have certified the Consolidated Financial Statements of the Group for the Year 2022 and communicated with the Audit Committee on the following matters:

1. No major audit findings are identified under the scope and timing of the audit planned by the CPAs.
2. The CPAs have provided the Audit Committee with a statement on independence that the persons whose firms are subject to the independence norms of such accountants has been complied with the Code of Professional Ethics of Accountants, and no other relationships and other matters that may be considered to affect the independence of accountants have been identified.
3. The CPAs have communicated with the Audit Committee regarding the key audit matters listed in the audit report.

The Consolidated Financial Statements of the Group for the Year 2022, as agreed by the Audit Committee and resolved by the Board of Directors, are in compliance with the relevant laws and regulations, as reported above in accordance with the provisions of Article 14-5 of the Securities and Exchange Act.

Audit Committee Convener: Qi Leiping  
March 15, 2023



## Attachment III..CPA's Audit Report and Consolidated Financial Statements for the Year 2022

### Independent Auditors' Report

(23) CSBZ No. 22003777

To Airmate (Cayman) International Co Limited:

#### **Opinion**

We have audited the Consolidated Balance Sheets of Airmate (Cayman) International Co Limited and its subsidiaries (hereinafter referred to as "Airmate Group") as of December 31, 2022 and 2021, the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including Summary of Material Accounting Policies) for the annual period from January 1 to December 31, 2022 and 2021.

In the opinion of the Accountants, the consolidated financial statements are prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations approved and issued by the Financial Supervisory Commission in force, which are sufficient to present the consolidated financial position of the Emmet Group as of December 31, 2022 and 2021, and the consolidated financial performance and consolidated statements of cash flow as of January 1, 2022 and December 31, 2021.

#### **Basis of Audit Opinion**

The Certified Public Accountant has carried out the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards 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. Our firm is independent of the Airmate (Cayman) International Co Limited and Subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. The Certified Public Accountant believes that sufficient and appropriate evidences for the audit have been obtained as the basis for expressing opinion.

#### **Key Audit Matters**

Key audit matters refer to those matters that, in the professional judgment of the Certified Public Accountant, are of the utmost significance for the audit of the 2022 Consolidated Financial Statements of the Airmate Group. These matters have been addressed in the process of our audit on the overall Consolidated Financial Statements, and in forming our opinion thereon. Hence, we will not provide a separate opinion on these matters.

The Key Audit Matters of the 2022 Consolidated Financial Statements of the Airmate Group are as follows:

### **Impairment assessment of accounts receivable**

#### Description of the Key Audit Matter

For details on the accounting policy for accounts receivable, please refer to Note 4 (10) of the Consolidated Financial Statements. For details on the accounting estimates for impairment losses on accounts receivable and the explanation on the uncertainty of assumptions, please refer to Note 5 of the Consolidated Financial Statements. For details on the information on the credit risk of accounts receivable, please refer to Note 12 (2) of the Consolidated Financial Statements.

The Airmate Group makes provision for expected credit losses in accordance with the established policy on accounts receivable allowance for doubtful debts. The valuation method includes the customer's credit risk and historical credit loss experience and a reasonable estimate of the customer's future economic conditions. Since the aforementioned valuation method involves the subjective judgment of the Management, it has a significant impact on the measurement of expected credit losses from accounts receivable. Therefore, the Certified Public Accountant has included the impairment assessment of accounts receivable as one of the Key Audit Matters for the year.

#### In response to the auditing procedures:

The main corresponding procedures executed by the Certified Public Accountant on the above-mentioned Key Audit Matter are summarized as follows:

1. Based on the understanding on the operation and sales counterparties of the Airmate Group, assess the reasonableness of the policies and procedures on the provision for losses on accounts receivable, including the identification of individual major customers, the differentiation of similar credit risk groups, and objective evidence in the determination of expected credit losses.
2. Understand the design and the effectiveness of implementation of internal control procedures for the credit management of the Airmate Group and the assessment of expected credit losses during the subsistence period of the creditor's rights.
3. Evaluate the reasonableness of Management's assessment of the amounts of individually recognized material expected credit losses and expected credit losses based on similar credit risk groups.
4. Test the collection of accounts receivable after the execution period for expected credit losses that occur only in response to the time value of currency to assess the reasonableness of expected credit losses.

### **Assessment of allowance for inventory valuation loss**

#### Description of the Key Audit Matter

For details on the accounting policy for inventory valuation, please refer to Note 4 (14) of the Consolidated Financial Statements; for the accounting estimates for inventory valuation and the explanation of the uncertainty of assumptions, please refer to Note 5 of the Consolidated Financial Statements; and for the explanation of important accounting items for inventory, please refer to Note 6, (7) of the Consolidated Financial Statements.

The Airmate Group measures the value of the inventory by the lower of cost and net realizable value. Due to the large number and type of inventory items in the Airmate Group and the fact that the net realizable value used in the individual recognition of obsolescence or damage and its valuation often involves subjective judgment, hence, there is uncertainty in the estimation. Therefore, the Certified Public Accountant has identified the assessment of allowance for inventory valuation loss as one of the key audit matters for the current year.

In response to the auditing procedures:

The main corresponding procedures executed by the Certified Public Accountant on the above-mentioned Key Audit Matter are summarized as follows:

1. Based on the understanding on the nature of the operations and industry of the Airmate Group, assess the reasonableness of the policies and procedures adopted for the allowance for inventory valuation loss, including the degree of inventory depreciation, the reasonableness of the assessment of obsolete and outdated inventory items, and the consistency of accounting estimation methods.
2. Verify that the information in the statement of inventory valuation loss used by the Airmate Group is consistent with its policy; randomly check the individual inventory item numbers to verify the degree of inventory devaluation, and then evaluate the appropriateness of the Airmate Group's allowance for valuation loss.

## **Responsibilities of the Management and the Governing Body for the Consolidated Financial Statements**

The responsibilities of Management are to prepare an appropriately represented Consolidated Financial Report in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and standing interpretation recognized and published by the Financial Supervisory Commission, and maintain the necessary internal controls related to the preparation of the Consolidated Financial Statements to ensure that the Consolidated Financial Statements does not contain material misrepresentation due to fraud or error.

In preparing the Consolidated Financial Statements, the Management's responsibilities also include assessing the ability of the Airmate Group to continue operating as a going concern, disclosing related matters, and continuing to adopt the going concern accounting basis, unless the Management intends to liquidate the Airmate Group or cease operations, or there is no practicable alternative other than liquidation or cessation of operation.

The governing bodies of the Airmate Group (including the Audit Committee) are responsible to oversee the financial reporting procedures.

## **The Certified Public Accountant' Responsibilities in the Audit of the Consolidated Financial Statements**

The objective of the audit on the Consolidated Financial Statements is to attain a reasonable assurance as to whether the Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an Audit Report that includes our opinion. Reasonable assurance is a high level of assurance, but the audit work performed in accordance with the Auditing Standards of the Republic of China cannot guarantee that all material misstatements in the Consolidated Financial Statements can be detected. Misstatement may be caused by fraud or error. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could reasonably have influence on the economic decisions made by the users of the Consolidated Financial Statements, they shall be deemed as material.

The Certified Public Accountant has exercised professional judgment and professional skepticism during the audit in accordance with the Auditing Standards of the Republic of China. The Certified Public Accountant will also perform the following duties:

1. Identify and evaluate the risk of material misstatements in the Consolidated Financial Statements due to fraud or error; design and carry out appropriate countermeasures on the evaluated risk;

and obtain sufficient and appropriate evidence as the basis for the audit opinion. The risk of not being able to detect a misstatement that is caused by fraud is higher than that caused by mistakes because fraud may involve conspiracy, forgery, intentional omission, false statement or overstepping internal control.

2. Understanding internal control relevant to the audit in order to design audit procedures that are appropriate in that particular circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Airmate Group.
3. Evaluating the appropriateness of the accounting policy adopted by the Management and the reasonableness of the accounting estimates and related disclosures made accordingly.
4. Concluding on the appropriateness of the Management's use of going concern basis of accounting, and determining whether there existed events or circumstances that might cast significant uncertainty over Airmate Group's ability to continue operation as a going concern based on the audit evidence obtained. If the Certified Public Accountant is of the opinion that a material uncertainty exists, the users of the Consolidated Financial Statements should be reminded to pay attention to the relevant disclosures in the Consolidated Financial Statements, or modify the audit opinion when the disclosures are inappropriate. The Certified Public Accountant's conclusions are based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Airmate Group to no longer have the capacity to operate as a going concern.
5. Assessing the overall presentation, structure and content of the Consolidated Financial Statements (including the related Notes) and whether the Consolidated Financial Statements appropriately represented the related transactions and events.
6. Obtaining adequate and appropriate audit evidence of the financial information of the Group's constituent entities so as to express an opinion on the Consolidated Financial Statements. The Certified Public Accountant is responsible for the guidance, supervision, and execution of the audit on the Airmate Group and is responsible for forming audit opinions on the Airmate Group.

The matters communicated with the governing bodies includes the planned scope and timing of the audit, as well as the significant audit findings (including any significant deficiencies in internal control identified during the audit).

The Certified Public Accountant has also provided the governing bodies with a declaration on the independence of the accounting firm's personnel in compliance with the Code of Ethics of Accountants in the Republic of China and has communicated with the governing bodies on all

relationships and other matters (including relevant safeguards) that may be deemed to affect the independence of the Certified Public Accountant.

From the matters communicated with the governing bodies, the Certified Public Accountant has determined the Key Audit Matters of the 2022 Consolidated Financial Statements of the Airmate Group. The accountant has stated those items in the audit report unless the law does not allow public disclosure of certain matters, or under extreme rare cases, the accountant decided not to communicate specific matters in the audit report because it can reasonably assume the negative impact of communication is greater than the promoted public interest.

PricewaterhouseCoopers Taiwan

CPA: Guo-hua, Wang  
Wu Jian zhi

Former Ministry of Finance Securities and Futures Management Committee	: (87) Taiwan Finance Certificate (VI) No. 68790
Approval number: Financial Supervisory Commission	Financial Supervisory Commission(FSC) No.
Approval number	1030027246

March 15, 2023

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2022 and 2021

				Unit: NT\$ Thousands		
Assets	Note	<u>December 31, 2022</u>		<u>December 31, 2021</u>		
		A m o u n t	%	A m o u n t	%	
<b>Current Assets</b>						
1100	Cash and Cash Equivalents	6(1)	\$ 898,784	10	\$ 449,654	5
1110	Financial Assets at Fair Value through	6(2)				
	Profit or Loss - Current		43,956	-	4,477	-
1136	Financial Assets at Amortized Cost -	6(3) and 8				
	Current		263,019	3	440,290	4
1150	Net Amount of Notes Receivable	6(4) and 7	842,396	10	1,322,860	13
1170	Net Amount of Accounts Receivable	6(4) and 7	919,776	10	1,165,669	12
1200	Other Receivables	6(5)(6)	137,575	2	29,055	-
130X	Inventories	6(7)	2,174,374	25	2,704,450	27
1410	Advance Payment	6(8)	174,534	2	258,719	3
1479	Other Current Assets - Others		60,468	1	35,890	-
1481	Rights of Pending Returning Products	6(26)				
	- Current		34,280	-	65,266	1
11XX	<b>Total Current Assets</b>		<u>5,549,162</u>	<u>63</u>	<u>6,476,330</u>	<u>65</u>
<b>Non-current Assets</b>						
1510	Financial Assets at Fair Value through	6(2)(20)				
	Profit or Loss - Non-current		-	-	36	-
1550	Investments Accounted for Using the	6(9)				
	Equity Method		33,440	-	31,342	-
1600	Property, Plant and Equipment	6(10), 8 and 12				
		(4)	2,787,713	32	2,901,797	29
1755	Right-of-use Assets	6(11)	203,685	2	204,682	2
1760	Net amount of investment properties	6(12) and 12				
		(4)	9,307	-	-	-
1780	Intangible Assets	6(13)	4,195	-	5,556	-
1840	Deferred Income Tax Assets	6(32)	197,543	2	233,231	3
1990	Other Non-current Assets - Others	6(14) and 8	39,810	1	96,746	1
15XX	<b>Total Non-current Assets</b>		<u>3,275,693</u>	<u>37</u>	<u>3,473,390</u>	<u>35</u>
1XXX	<b>Total Assets</b>		<u>\$ 8,824,855</u>	<u>100</u>	<u>\$ 9,949,720</u>	<u>100</u>

**Airmate (Cayman) International Co Limited and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2022 and 2021**

Unit: NT\$ Thousands

Liabilities and Equities	Note	December 31, 2022		December 31, 2021		
		A m o u n t	%	A m o u n t	%	
<b>Current Liabilities</b>						
2100	Short-term loans	6(15) and 8	\$ 556,523	6	\$ 759,392	8
2130	Contract Liabilities - Current	6(26)	365,995	4	252,743	2
2150	Notes Payable	6(16) and 8	1,433,202	16	1,795,376	18
2170	Accounts Payable		1,739,558	20	2,247,637	23
2200	Other Payables	6(17) and 7	814,340	9	548,801	5
2230	Current Income Tax Liabilities		3,240	-	293	-
2250	Provision - Current	6(18)	22,354	-	27,975	-
2320	Long-term Liabilities Due within One Year or One Operating Cycle	6(19)(20) and 8	353,566	4	298,402	3
2365	Refund Liabilities - Current	6(26)	52,146	1	94,350	1
2399	Other Current Liabilities - Others		28,525	1	3,957	-
21XX	<b>Total Current Liabilities</b>		<u>5,369,449</u>	<u>61</u>	<u>6,028,926</u>	<u>60</u>
<b>Non-current Liabilities</b>						
2530	Corporate Bonds Payable	6(20) and 8	-	-	348,814	4
2540	Long-term Loans	6(19) and 8	-	-	8,030	-
2570	Deferred income tax liabilities	6(32)	24,357	-	-	-
2640	Net Defined Benefit Liabilities - Non-current	6(21)	36,727	1	34,716	-
2645	Security Deposits Received		105,457	1	110,870	1
2670	Other Non-current Liabilities - Others	6(22) and 12 (4)	73,960	1	661,440	7
25XX	<b>Total Non-current Liabilities</b>		<u>240,501</u>	<u>3</u>	<u>1,163,870</u>	<u>12</u>
2XXX	<b>Total Liabilities</b>		<u>5,609,950</u>	<u>64</u>	<u>7,192,796</u>	<u>72</u>
<b>Equities Attributable to Owners of Parent Company</b>						
Share Capital						
3110	Common Stock	6(20)(23)	1,455,445	16	1,455,445	15
Capital Surplus						
3200	Capital Surplus	6(20)(24)	1,228,726	14	1,231,625	12
Retained Earnings						
3310	Legal Reserve	6(25)	69,854	1	179,704	2
3320	Special Reserve		261,181	3	261,489	3
3350	Undistributed earnings (loss yet to be made up)		478,016	5	( 110,158)	( 1)
Other Equities						
3400	Other Equities		( 278,317)	( 3)	( 261,181)	( 3)
3XXX	<b>Total Equities</b>		<u>3,214,905</u>	<u>36</u>	<u>2,756,924</u>	<u>28</u>
Significant Commitments and Contingencies						
Subsequent Events						
3X2X	<b>Total Liabilities and Equities</b>		\$ 8,824,855	100	\$ 9,949,720	100



Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2022 and 2021

Unit: NT\$ Thousands

Items	Note	In 2022		In 2021	
		Amount	%	Amount	%
4000 <b>Operating Income</b>	6(26) and 7	\$ 9,220,863	100	\$ 10,156,591	100
5000 <b>Operating Cost</b>	6(7)(13) (21)(30) (31) and 7	( 7,777,614)	( 85)	( 9,039,549)	( 89)
5900 <b>Gross Profit</b>		1,443,249	15	1,117,042	11
5910 Unrealized Sales Profit	6(9)	( 15,667)	-	( 24,801)	-
5920 <b>Realized Sales Profit</b>	6(9)	17,138	-	30,159	-
5950 <b>Net Operating Profit</b>		1,444,720	15	1,122,400	11
Operating Expenses	6(13) (21)(30) (31) and 7				
6100 Selling Expenses		( 1,146,692)	( 12)	( 1,037,332)	( 10)
6200 Administrative Expenses		( 416,647)	( 5)	( 284,693)	( 3)
6300 Research and Development Expense		( 109,238)	( 1)	( 119,531)	( 1)
6450 Expected Credit Loss	12(2)	( 15,114)	-	( 46,358)	-
6000 Total Operating Expenses		( 1,687,691)	( 18)	( 1,487,914)	( 14)
6900 <b>Operating loss</b>		( 242,971)	( 3)	( 365,514)	( 3)
<b>Non-operating Income and Expenses</b>					
7100 Interest Income		23,103	-	18,023	-
7010 Other Incomes	6(27)	73,577	1	63,126	-
7020 Other Gains and Losses	6(10)(12) (28) and 12 (4)	714,741	8	( 38,051)	-
7050 Finance Costs	6(15)(19) (20)(29)	( 29,890)	1	( 29,285)	-
7060 Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method	6(9)	146	( 1)	( 1,128)	-
7000 Total Non-operating Income and Expenses		781,677	9	12,685	-
7900 <b>Net profit (net loss) before tax</b>		538,706	6	( 352,829)	( 3)
7950 Income tax (expense) gains	6(32)	( 65,509)	( 1)	45,602	-
8200 <b>Net profit (net loss) in the current period</b>		\$ 473,197	5	\$ 307,227	( 3)
<b>Other Comprehensive Income</b>					
<b>Items not Reclassified to Profit or Loss:</b>					
8311 Re-measurements of Defined Benefit Plans	6(21)	\$ 4,819	-	\$ 368	-
<b>Items that may Subsequently be Reclassified to Profit or Loss:</b>					
8361 Exchange Differences from Translation of Financial Statements of Foreign Operating Entities		( 17,136)	-	308	-
8300 <b>Other Comprehensive Profit or Loss (Net)</b>		( \$ 12,317)	-	\$ 676	-
8500 <b>Total Comprehensive Income</b>		\$ 460,880	5	\$ 306,551	( 3)
Net Profit (Loss) attributable to:					
8610 Owners of Parent Company		\$ 473,197	5	( \$ 307,227)	( 3)
Total Comprehensive Income Attributable to:					
8710 Owners of Parent Company		\$ 460,880	5	( \$ 306,551)	( 3)
Earnings (loss) per share	6(33)				
9750 Basic		\$ 3.25		( \$ 2.11)	
9850 Diluted		\$ 2.97		( \$ 2.11)	

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman: Shih, Jui Pin

Manager: Shih, Jui Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: NT\$ Thousands

	<u>Equities Attributable to Owners of Parent Company</u>								
	<u>Note</u>	<u>Retained Earnings</u>				<u>Undistributed earnings (loss yet to be made up)</u>	<u>Exchange Differences from Translation of Financial Statements of Foreign Operating Entities</u>	<u>Treasury Shares</u>	<u>Total Equity</u>
		<u>Common Stock</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>				
<u>In 2021</u>									
Balance on January 1, 2021		\$ 1,395,876	\$ 1,224,541	\$ 164,618	\$ 363,822	\$ 251,548	(\$ 261,489)	\$ -	\$ 3,138,916
Net Loss of the Current Period		-	-	-	-	( 307,227 )	-	-	( 307,227 )
Other Comprehensive Income of the Current Period		-	-	-	-	368	308	-	676
Total Comprehensive Income		-	-	-	-	( 306,859 )	308	-	( 306,551 )
Appropriation and Distribution of 2020 Retained Earnings:									
Setting Aside Legal Reserve		-	-	15,086	-	( 15,086 )	-	-	-
Reversal of Special Reserve		-	-	-	( 102,333 )	102,333	-	-	-
Cash Dividends for Ordinary Shares	6(25)	-	-	-	-	( 83,753 )	-	-	( 83,753 )
Share Dividend for Ordinary Shares	6(23)(25)	55,835	-	-	-	( 55,835 )	-	-	-
Conversion of Convertible Corporate Bonds	6(20)(23)(24)	13,704	22,022	-	-	-	-	-	35,726
Redemption of Convertible Corporate Bonds	6(20)(24)	-	( 152 )	-	-	-	-	-	( 152 )
Repurchase of Treasury Shares		-	-	-	-	-	-	( 27,262 )	( 27,262 )
Write-off of Treasury Shares	6(23)(24)	( 9,970 )	( 14,786 )	-	-	( 2,506 )	-	27,262	-
Balance on December 31, 2021		<u>\$ 1,455,445</u>	<u>\$ 1,231,625</u>	<u>\$ 179,704</u>	<u>\$ 261,489</u>	<u>(\$ 110,158)</u>	<u>(\$ 261,181)</u>	<u>\$ -</u>	<u>\$ 2,756,924</u>
<u>In 2022</u>									
Balance on January 1, 2022		\$ 1,455,445	\$ 1,231,625	\$ 179,704	\$ 261,489	(\$ 110,158)	(\$ 261,181)	\$ -	\$ 2,756,924
Net Profit of the Current Period		-	-	-	-	473,197	-	-	473,197
Other Comprehensive Income of the Current Period		-	-	-	-	4,819	( 17,136 )	-	( 12,317 )
Total Comprehensive Income		-	-	-	-	478,016	( 17,136 )	-	460,880
Appropriation and Distribution of 2021 Retained Earnings:									
Reversal of Special Reserve		-	-	-	( 308 )	308	-	-	-
Statutory surplus reserve to make up for the deficit	6(25)	-	-	( 109,850 )	-	109,850	-	-	-
Redemption of Convertible Corporate Bonds	6(20)(24)	-	( 2,899 )	-	-	-	-	-	( 2,899 )
Balance on December 31, 2022		<u>\$ 1,455,445</u>	<u>\$ 1,228,726</u>	<u>\$ 69,854</u>	<u>\$ 261,181</u>	<u>\$ 478,016</u>	<u>(\$ 278,317)</u>	<u>\$ -</u>	<u>\$ 3,214,905</u>

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman: Shih, Jui Pin

Manager: Shih, Jui Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2022 and 2021

Unit: NT\$ Thousands

	<u>Note</u>	<u>In 2022</u>	<u>In 2021</u>
<b><u>Cash Flows from Operating Activities</u></b>			
Net profit (net loss) before tax in the current period		\$ 538,706	(\$ 352,829)
<b>Adjustment Items:</b>			
<b>Revenue and Expense Items</b>			
Expected Credit Loss	12(2)	15,114	46,358
Depreciation Expense	6(10)(11)		
	(12)(30)	406,859	410,642
Amortization Expense	6(13)(30)	2,745	4,993
Interest Expense	6(29)	29,890	29,285
Interest Income		( 23,103 )	( 18,023 )
Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method	6(9)	( 146 )	1,128
Net loss (gain) on financial assets measured at fair value through profit or loss	6(28)	4,769	( 4,588 )
Loss(gains) on disposal of property, plant and equipment	6(28)	11,334	( 775 )
Expenses for Transfer and Reclassification of Property, Plant and Equipment	6(10)	-	25,437
Gain on disposal of assets	6(28)	( 705,571 )	-
Loss (gain) on redemption of corporate convertible bonds	6(20)	1,631	( 297 )
Unrealized Sales Profit	6(9)	15,667	24,801
Realized Sales Profit	6(9)	( 17,138 )	( 30,159 )
Unrealized gain on foreign currency exchange		( 843 )	( 579 )
Amortization of Long-term Deferred Income	6(27)	( 3,268 )	( 3,267 )
<b>Changes in Assets/Liabilities related to Operating Activities</b>			
<b>Net Changes in Assets related to Operating Activities</b>			
Financial Assets at Fair Value through Profit or Loss		( 44,164 )	71,626
Notes Receivable		503,398	( 705,044 )
Accounts Receivable		275,159	332,921
Other Receivables		( 107,535 )	3,446
Inventories		560,413	( 587,482 )
Advance Payment		89,455	( 40,768 )
Other current assets — other		11,343	60,348
<b>Net Changes in Liabilities related to Operating Activities</b>			
Contract liabilities — current		104,470	( 53,170 )
Notes Payable		( 400,569 )	20,967
Accounts Payable		( 547,905 )	1,004,062
Other Payables		265,297	( 109,951 )
Provision - Current		( 6,085 )	( 14,064 )
Refund Liabilities - Current		( 43,878 )	( 46,566 )
Other Current Liabilities - Others		25,367	3,957
Net Defined Benefit Liabilities - Non-current		6,830	2,459
Cash Inflow Generated from Operations		968,242	74,868
Interest Received		22,610	17,945
Interest Paid		( 32,204 )	( 29,083 )
Income Tax Paid		( 11,666 )	( 23,549 )
Net Cash Inflow from Operating Activities		<u>946,982</u>	<u>40,181</u>

(Continued on next page)

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman: Shih, Jui Pin

Manager: Shih, Jui Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2022 and 2021

Unit: NT\$ Thousands

	<u>Note</u>	<u>In 2022</u>	<u>In 2021</u>
<b><u>Cash Flows from Investment Activities</u></b>			
Acquisition of Financial Assets at Amortized Cost		(\$ 1,760,236 )	(\$ 1,313,195 )
Disposal of Financial Assets at Amortized Cost		1,944,572	1,198,742
Acquisition of Property, Plant and Equipment	6(34)	( 128,978 )	( 180,826 )
Increase in Advance Payments for Equipment		( 23,086 )	( 41,304 )
Disposal of Property, Plant, and Equipment		14,128	31,198
Acquisition of Intangible Assets	6(13)	( 1,291 )	( 2,207 )
Other Non-current Assets - Other Decrease		45,219	1,787
Net cash inflow (outflow) from investing activities		<u>90,328</u>	<u>( 305,805 )</u>
<b><u>Cash Flows from Financing Activities</u></b>			
Proceeds from Short-term Loans	6(35)	2,385,238	2,779,632
Repayment of Short-term Loans	6(35)	( 2,634,948 )	( 2,330,118 )
Proceeds from Long-term Loans	6(35)	-	8,683
Repayment of Long-term Loans	6(35)	( 8,726 )	( 132 )
Redemption of Convertible Corporate Bonds	6(20)		
	(35)	( 304,530 )	( 4,567 )
Deposit margin decrease	6(35)	( 7,170 )	( 15 )
Other non-current liabilities - other decrease	6(35)	( 1,852 )	-
Repurchase of Treasury Shares	6(23)	-	( 27,262 )
Cash Dividends Paid	6(25)	-	( 83,753 )
Net cash (outflow) inflow from financing activities		<u>( 571,988 )</u>	<u>342,468</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents		<u>( 16,192 )</u>	<u>( 70,902 )</u>
Increase in Cash and Cash Equivalents in the Current Period		449,130	5,942
Cash and Cash Equivalents at Beginning of the Current Period	6(1)	<u>449,654</u>	<u>443,712</u>
Cash and Cash Equivalents at End of the Current Period	6(1)	<u>\$ 898,784</u>	<u>\$ 449,654</u>

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman: Shih, Jui Pin

Manager: Shih, Jui Pin

Accounting Supervisor: Ho, Mei Hsiu

**Attachment IV ..... Earnings Distribution Table**

Emite(Cayman)International Co., Ltd.

2022 Earnings Distribution

Unit:NTD

Item	Amount	
<b>Beginning balance</b>		<b>0</b>
Add(subtract):		
Changes of re-measurement number of defined benefit plan for the period	4,818,341	
Current tax after-tax profit	473,197,491	
<b>Subtotal</b>		<b>478,015,832</b>
Add(subtract):		
Recognition of legal reserve	(47,801,583)	
Conversion from the revolving special surplus reserve - the translation of the financial statements of a foreign operating agency	(17,136,110)	
<b>Distributable earnings</b>		<b>413,078,139</b>
Distribution items:		
Dividend to shareholders - cash dividend (NT\$0.5per share)	(72,772,246)	
Dividends to shareholders - stock dividends (NT\$0.5per share)	(72,772,250)	
<b>Undistributed earnings at the end of the period</b>		<b>267,533,643</b>

### Attachment V Comparison Table of Amendments to Part of the Code of Practice

Article No.	Amended articles	Prevalent articles	Description
	Corporate <u>Sustainability</u> Code of Practice	Corporate Social Responsibility Code of Practice	In line with the international development trend, implement the goal of sustainable development, strengthen the implementation of sustainable development of listed companies in China, and enhance the quality of sustainable development information disclosure, highlight the importance of sustainable development and practice, and amend the “Code of Practice for Corporate Social Responsibility of Listed Companies” Called “Code of Practice on Sustainability of Listed Companies”
1	Article 1 In order to fulfill its corporate social responsibility and promote the balance and sustainable development of economy, society, and environment, the company has formulated the Principles in compliance with the practice principles of the Corporate Social Responsibility for Listed	Article 1 To implement corporate social responsibility and promote the balance and sustainable development of economic, social and environmental ecology, without violating applicable laws in the Cayman Islands, and formulating this Code of Practice in accordance with the Code of Practice of “Corporate Social	In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.

	Companies formulated by the competent authorities of the Republic of China, without violating the applicable laws of the Cayman Islands, in order to manage its economic, environmental, social risks and impacts.	Responsibility” issued by the competent authorities of the Republic of China Its impact on economic, environmental and social risks.	
2	Article 2 Paragraph 1 omitted. The Principles encourage the Company to actively fulfill sustainable development in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.	Article 2 Paragraph 1 omitted. The Principles encourages the Company to actively fulfill its corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.	In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.
3	Article 3 <u>To promote sustainable development</u> , we should pay attention to the interests of stakeholders, and focus on environmental, social and corporate governance factors while pursuing sustainability and profitability, and incorporating them into our management policies and operating activities. Paragraphs 1 and 2 omitted.	Article 3 The Company fulfills its corporate social responsibility and pays attention to the rights and interests of stakeholders. While pursuing sustainable development and profit, the Company values topics pertaining to the environment, society, and corporate governance and incorporates them into its management approaches and operating	In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.

		activities. Paragraphs 1 and 2 omitted.	
4	<p>Article 4</p> <p>The Company's <u>sustainability</u> practices should be based on the following principles:</p> <p>I.Exercise corporate governance.</p> <p>II. Foster a sustainable environment.</p> <p>III.Preserve public welfare.</p> <p>IV. Enhance corporate <u>sustainability</u> information disclosure.</p>	<p>Article 4</p> <p>The company's practice of corporate social responsibility should be based on the following principles:</p> <p>I.Implement and promote corporate governance.</p> <p>II. Foster a sustainable environment.</p> <p>III.Preserve public welfare.</p> <p>IV. Strengthen the disclosure of corporate social responsibility information.</p>	<p>In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.</p>
5	<p>Article 5</p> <p>The Company shall abide by the laws and regulations, as well as the contract signed with the competent authority of Taiwan and related regulations, and shall consider the development trend of corporate social responsibility at home and abroad, the Company itself and the overall operating activities of its group companies to formulate the corporate social responsibility policies, systems or related management policies and specific promotion plans, which shall be approved by the Board of Directors and submitted to the shareholders' meeting.</p> <p>When a shareholder proposes a motion related to <u>sustainability</u>, the Board of Directors shall consider the meeting of</p>	<p>Article 5</p> <p>The Company shall abide by the laws and regulations, as well as the contract signed with the competent authority of Taiwan and related regulations, and shall consider the development trend of corporate social responsibility at home and abroad, the Company itself and the overall operating activities of its group companies to formulate the corporate social responsibility policies, systems or related management policies and specific promotion plans, which shall be approved by the Board of Directors and submitted to the shareholders' meeting.</p> <p>When a shareholder proposes a motion involving corporate social responsibility, the Company's Board of Directors is</p>	<p>In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.</p>



	shareholders.	advised to review and consider including it in the shareholders' meeting agenda.	
7	<p>Article 7</p> <p>The directors of the Company shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.</p> <p>The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:</p> <p>I. <u>Incorporate sustainability</u> into the company's operating activities and development direction.</p> <p>II. <u>Develop a sustainability mission</u> (or vision, value) and <u>develop a sustainability policy statement</u>.</p> <p>III. Ensure the timely and accurate disclosure of information about <u>sustainability</u>.</p> <p>The third item is slightly.</p>	<p>Article 7</p> <p>The directors of the Company shall perform the duty of care of a good manager to urge the Company to carry out its social responsibility, review the effectiveness of its implementation and make continuous improvement to ensure the implementation of corporate social responsibility policies.</p> <p>The Board of Directors shall, during the Company's implementation of the corporate social responsibility, fully take into account the interests of stakeholders as follows:</p> <p>I. The Company has incorporated CSR into its business activities and developmental activities.</p> <p>II. Proposed CSR mission (or vision and value) and proposed a Declaration of Corporate Social Responsibility.</p> <p>III. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.</p> <p>The third item is slightly.</p>	<p>In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.</p>
8	Article 8	Article 8	1. In order to improve

	<p>In order to improve the <u>management of sustainable development, the company should establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development</u>, responsible for the proposal and execution of the sustainability policy, system or related management approach and specific promotion plan, and report regularly to the Board of Directors.</p> <p>The Company shall formulate reasonable remuneration policies, to ensure that remuneration planning can be in line with the organizational strategic goals and stakeholders' interests.</p> <p><u>It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.</u></p>	<p>In order to improve the management of corporate social responsibility, the Company shall establish a full-time (part-time) unit to promote corporate social responsibility, which shall be responsible for proposing and implementing corporate social responsibility policies, systems or related management policies and specific promotion plans, and report to the Board of Directors regularly.</p> <p>The Company shall formulate reasonable remuneration policies, to ensure that remuneration planning can be in line with the organizational strategic goals and stakeholders' interests.</p>	<p>the management of the sustainable development of the enterprise, the enterprise should strengthen the promotion of the sustainable development goals through the establishment of governance structure, and amend the first item of this clause.</p> <p>2. Cooperating with the amendment of the Code, enterprises should focus on the concept of corporate social responsibility</p> <p>Businesses should value sustainability.</p>
9	<p>Article 9</p> <p>The Company should respect the interests of stakeholders, identify the company's stakeholders, and set up stakeholder areas on the Company's website; understand the reasonable expectations and needs of stakeholders through appropriate communication</p>	<p>Article 9</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through</p>	<p>In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.</p>

	methods, and appropriately respond to important <u>sustainability</u> issues of their concerns.	proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.	
13	Article 13 The Company should strive to improve the utilization efficiency of various resources, and use renewable materials with low impact on the environment, so that the earth's resources can be used continuously.	Article 13 The Company shall be committed to improving the efficiency of the use of various resources, and the use of recycled materials with low impact on the environmental load, so as to achieve the sustainable use of the earth's resources.	This clause is amended to focus on corporate energy management in order to reduce greenhouse gas emissions.
28-1	Article 28-1 <u>By donating, sponsorship, investment, procurement, strategic cooperation, corporate volunteering or other supporting models, the company is advised to continuously contribute resources to cultural development, arts or cultural and creative industries.</u>	1. This Article is added.	To encourage enterprises to support cultural and arts activities and promote sustainable development of culture, we have added the new order.
	Enhancing Disclosure of Sustainable Development Information	Chapter V Strengthen the Disclosure of Corporate Social Responsibility Information	In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.
29	Article 29 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for The	Article 29 This company shall follow relevant regulations and Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies	In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to

	<p>Company and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.</p> <p>Relevant information relating to sustainable development which The Company shall disclose includes:</p> <p>I. <u>The policy, system or related management policy and specific promotion plan adopted by the Board of Directors.</u></p> <p>II. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.</p> <p>III. <u>The company's goals, measures and implementation performance for sustainable development.</u></p> <p>IV. The main stakeholders and their concerns.</p> <p>V. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</p> <p>VI. Other <u>sustainability</u> related information.</p>	<p>in handling information disclosure, and shall adequately disclose important and reliable CSR related information to increase information transparency.</p> <p>This company shall disclose the following CSR related information:</p> <p>I. Any CSR policy, system, guideline and action plan approved by the Board of Directors.</p> <p>II. The risks and the impact on the corporate operations and financial conditions arising from exercising corporate governance, fostering a sustainable environment, and preserving social public welfare.</p> <p>III. The Company's goals, actions and performance toward corporate social responsibility.</p> <p>The main stakeholders and their concerns.</p> <p>Suppliers are required to disclose information on the management and performance of major environmental and social issues.</p> <p>Other corporate social responsibility related information.</p>	<p>focus on sustainable development.</p>
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<p>30</p>	<p>Article 30 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: I. Implement <u>sustainability</u> policies, systems or related management policies and specific initiatives. II. The main stakeholders and their concerns. III. Review of the Company's progress with respect to corporate governance and contributions to environmental sustainability, public welfare and the economy. IV. Directions and goals for future improvements.</p>	<p>Article 30 The Company shall adopt widely recognized international standards or guidelines when producing a CSR report to disclose the status of its implementation of the CSR policy. It shall also obtain a third-party assurance or verification of the report to enhance the reliability of the information in the report. The reports are advised to include: I. The Company's CSR policies, systems, guidelines and action plans. II. The main stakeholders and their concerns. III. Review of the Company's progress with respect to corporate governance and contributions to environmental sustainability, public welfare and the economy. IV. Directions and goals for future improvements.</p>	<p>In line with the modification of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.</p>
<p>31</p>	<p>Article 31 <u>The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable</u></p>	<p>Article 31 The company shall keep notice of domestic and international CSR system development and changes in corporate environment at all times to facilitate review and improvement of the company's</p>	<p>In line with the amendment of this Code, enterprises should extend the concept of corporate social responsibility to focus on sustainable development.</p>

	<u>development framework and to obtain better results from the promotion of the sustainable development policy.</u>	established CSR system and improve CSR results.	
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## Attachement VI Comparison Table of the "Articles of Incorporation"

### I. Amended and Restated Memorandum of Incorporation

Amended articles	Prevalent articles	Reasons for amendments
<p>14.5 Unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the Company's annual accounts, if there is "surplus profit" (as defined below), the Company shall set aside an amount as compensation to employees and remuneration for the Directors as follows; provided however that, if the Company has accumulated losses, the Company shall reserve an amount thereof first to making up such losses:</p> <p>(a) one per cent (1%) to ten per cent (10%) as compensation to employees ("Employees' Compensations"), including employees of the Company's Subsidiaries; and</p> <p>(b) no more than three per cent (3%) as remuneration for the Directors (excluding the Independent Directors) ("Directors' Remuneration").</p> <p>The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.</p>	<p>14.5 Unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the Company's annual accounts, if there is "surplus profit" (as defined below), the Company shall set aside an amount as compensation to employees and remuneration for the Directors as follows; provided however that, if the Company has accumulated losses, the Company shall reserve an amount thereof first to making up such losses:</p> <p>(a) five per cent (5%) to ten per cent (10%) as compensation to employees ("Employees' Compensations"), including employees of the Company's Subsidiaries; and</p> <p>(b) no more than three per cent (3%) as remuneration for the Directors (excluding the Independent Directors) ("Directors' Remuneration").</p> <p>The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and</p>	<p>Adjust the minimum employee remuneration distribution ratio and revise the dividend policy according to the company's operational needs. Also, subject to paragraph 5 and 2 of Article 240 of Taiwan Companies Act, the Company may, upon resolution of the Board of Directors, distribute all or part of dividends and dividends, capital reserve or statutory surplus reserve in cash, and report shareholders' meetings.</p>

<p>Subject to the Applicable Law, the Employees' Compensations shall be appropriated in the form of cash or stock.</p> <p>For so long as the shares are traded on the ESM or listed on the TSE, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as reserve ("Statutory Reserve") (unless the Statutory Reserve has reached the total paid-up capital of the Company); and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules.</p> <p>In the event that the Company sets aside a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules, for the Company's accumulated deductions on other equity interests booked in previous years and net increase in the fair value of investment property held by the Company, the Company shall set aside a special surplus reserve in an amount equal to the net amount of such accumulated deductions and increase in fair value from undistributed profits in previous years; if the amount of the special surplus reserve required to be set aside is greater than that of the undistributed profits, the shortfall shall be covered by the net profit after tax of the current financial year plus items other than such net profit after tax classified as undistributed profits of the current financial year.</p> <p>The dividend policy of the Company depends on the Company's current and future investment environment, capital needs, industry competition and capital budgeting,</p>	<p>remuneration for the Directors.</p> <p>Subject to the Applicable Law, the Employees' Compensations shall be appropriated in the form of cash or stock.</p> <p>For so long as the shares are traded on the ESM or listed on the TSE, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as reserve ("Statutory Reserve") (unless the Statutory Reserve has reached the total paid-up capital of the Company); and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules.</p> <p>If there are any remaining profits, such remaining profits, together with a part or whole of accumulated undistributed profits in the previous years, subject to compliance with the Law and after setting aside the amounts for Employees' Compensations and Directors' Remuneration in accordance with Article 14.5 and such amounts as the Board deems fit in accordance with the dividend policy set out in preceding paragraph, may be distributed as dividends to Members in proportion to their shareholdings.</p> <p>Dividends to be distributed to the Members, may be made by way of cash dividends or by way of stock dividends or a combination thereof, provided that, the cash dividends shall not be less than fifty per cent (50%) of the total amount of dividends payable under the preceding sentence and, provided further that, subject to the Law and the Applicable Public Company Rules and unless otherwise resolved by the Board and the Members, after having considered the financial,</p>	
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<p>and takes into account the Members' interests and the Company's long-term financial plans. The dividend distribution shall not be less than twenty-five per cent (25%) of the current distributable profits (the "Base Distributable Profits") in principle, and such dividends shall be distributed to the Members in proportion to their shareholdings. Dividends to be distributed to the Members may be made in the form of cash dividend or stock dividend or a combination thereof, provided that, the cash dividend shall not be less than ten per cent (10%) of the total amount of dividend payable. However, (i) if the Board deems that it would be more appropriate to adopt a conservative dividend policy after considering the aforementioned factors, the dividend distribution shall not be less than fifty per cent (50%) of the Base Distributable Profits, and the cash dividend shall not be less than ten per cent (10%) of the total amount of dividend payable; and (ii) if the current distributable profits are less than five per cent (5%) of the paid-in capital of the Company, the Board may resolve not to distribute any dividends and submit such proposal to the Members for their approval in the general meetings.</p> <p>The term "current distributable profits" referred to in the preceding paragraph means the remaining profits of the relevant financial year after payment of tax, offsetting losses incurred in previous years, setting aside the Statutory Reserve, and setting aside the special surplus reserve in accordance with the fourth and fifth paragraphs of this Article 14.5, excluding undistributed profits in previous years.</p> <p>The Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, distribute dividends,</p>	<p>business and operational factors of the Company, the amount of the remaining profits distributed as dividends to Members shall not be less than twenty-five per cent (25%) of profit after tax of the relevant year.</p>	
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<p>bonuses or other distribution from the Capital Reserve and Statutory Reserve payable, in part or in whole, in cash and report the same to the Members at the general meetings.</p>		
<p>.28.1 Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of or voted against such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:</p> <p>(a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;</p> <p>(b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;</p> <p>(c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company;</p> <p>(d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or</p> <p>(e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.</p> <p>Shares which have been abstained from voting in accordance with this Article 28.1 shall not be counted in determining the number of votes of the Members being cast at a general meeting but shall be counted towards the quorum of the general meeting.</p>	<p>.28.1 Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:</p> <p>(a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;</p> <p>(b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;</p> <p>(c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company;</p> <p>(d) the Company proposes to undertake a Spin-off, Merger or Share Swap; or</p> <p>(e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.</p>	<p>This clause is amended in accordance with the “Checklist for Protection of Shareholders in Registered Countries in Foreign Issuers” as amended by the Taiwan Stock Exchange's announcement dated January 9, 2023.</p>
<p>47.2 A Director who is directly or indirectly</p>	<p>47.2 A Director who is directly or indirectly</p>	<p>This clause is</p>

<p>interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. If the Company proposes to enter into any transaction specified in Article 28.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. The Company shall, in the notice of a general meeting, disclose the essential contents of such Director's personal interest and the reason why such Director believes that the transaction is advisable or not advisable. The essential contents can be announced on the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director, has a personal interest in the matters under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in the matter. For the purpose of this Article 47.2, the terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.</p>	<p>interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. If the Company proposes to enter into any transaction specified in Article 28.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director, has a personal interest in the matters under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in the matter. For the purpose of this Article 47.2, the terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.</p>	<p>amended in accordance with the "Checklist for Protection of Shareholders in Registered Countries in Foreign Issuers" as amended by the Taiwan Stock Exchange's announcement dated January 9, 2023.</p>
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