Tatung Company

2023 Annual General Shareholders’ Meeting Minutes

Time: 9:00 a.m., June 16, 2023 (Friday)

Venue: 22, Zhungshan N. Rd., 3rd Sec., Taipei, Taiwan, 104
(The 18th floor of North Design Building)

Total outstanding Tatung shares: 2,339,536,685 shares

Total amount of voting shares:

2,339,536,099 shares (exclusive of those 586 shares with no voting right pursuant to Article 179 of the Company Act.)

Total shares represented by shareholders presented in person or by proxy:

1,887,720,583 shares(including 27,060,000 shares to attend by proxy,760,127,757 shares to attend by solicitation, and 898,171,793 shares to exercise voting rights electronically.), accounting for 80.68 % of the Company’s total outstanding shares.

Directors present: Wkang-Hsiang Wang, Chun-Lung Wu, Ruey-Long Chen, Bao-Huei Huang, Da-Ho Yen, Chi-Husan, Liu, Chung-Zung Kung

Attendance: Zong-zhe Chen (accountant of KPMG)

Chairman: Wkang-Hsiang Wang Recorder: Zhe-Hui Lin

Meeting Commencement Announced:

The aggregate shareholding of the shareholders present in person constituted a quorum.
The Chairman called the meeting to order.
Chairman’s Address: (Omitted)

Section One — Report Items

Item 1: 2022 Annual Business and Financial Report

Descriptions: 2022 Annual Business and Financial Report (Please refer to Attachment I.)

Item 2: Audit Committee's Review Report

Descriptions: Audit Committee's Review Report (Please refer to Attachment II.)

Item 3: Control Matters Report on 2022 Annual Account in response to the letters from Financial Supervisory Commission.

Descriptions:

I. The Financial Supervisory Commission (FSC) has requested the Company to provide the improvement plan and status of the endorsement, guarantee and lending of funds to Chunghwa Picture Tubes Ltd. (hereinafter referred to as "Chunghwa Picture Tubes") to be reported to the board and shareholder meetings, and the description is as follows:

   1. The amount of the Company's endorsement guarantee (has been re-classified as lending of funds) to Chunghwa Picture Tubes that has not been recovered is around NT$1,995,145,000. Chunghwa Picture Tubes has been ruled bankrupt by the court in August 2022. After the bankruptcy registration was approved by the Ministry of Economic Affairs in September of the same year, now the company has entered bankruptcy proceedings. The Company has recognized expected credit loss for 100% of the funds loaned and declared right to request for repayment to the insolvency administrator

   2. Since the subsidiary's lending of funds has entered the bankruptcy process in accordance with the regulatory procedures, the Company will continue to follow up on and explain the progress in the monthly announcement of the lending of funds. The Company has applied to the FSC in February 2023 to lift the requirements of asking the Company to report on a quarterly basis the board governance and the reporting of implementation at the shareholders' meeting, and to be allowed to report the matters to the board and shareholders' meeting only when there is important progress. The application has been approved per the FSC's Jin-Guan-Zheng-Shen-Zi Letter #1120333212 dated February 16, 2023, and the Company has agreed to the letter for future reference.

II. Above are our reports to shareholders.

Item 4: 2022 Annual Report on Staff Remuneration and Director's Remuneration Distribution

Descriptions:

I. According to Article 24 of the Company's Articles of Incorporation, if the Company is profitable in the fiscal year, no less than 1% of the profit shall be offered as employee remuneration, and no more than 2% of the profit shall be allocated as directors' remuneration.

II. According to the above provisions and considering shareholders' rights and interests, the proposal was approved by the board resolution on March 9, 2023. 1% (NT$95,246,314) of the profits of 2022 is distributed as employee remuneration in cash, and directors' remuneration for 2022 will not be allocated.

III. Above are our reports to shareholders.

<Proceedings>

Summary of shareholders' speeches: There were no questions from shareholders regarding the matters reported at the shareholders' meeting.

Section Two — Ratification Items

Motion submitted for ratification (1) Proposed by the Board of Directors

Case: Resolution on ratification of the 2022 Business Report and Financial Statements.

I. The business report and financial statements of 2022 have satisfactorily been prepared and reviewed by the board of directors and duly audited by the audit committee. (Please refer to Attachment 1.)

II. Your ratification will be appreciated.

Resolution:

Voting Results:

Shares represented at the time of voting: 1,887,609,996

Voting Results*	% of the total represented share present
Votes in favor: 1,676,297,227 votes（812,730,668 votes）	88.80%
Votes against: 261,543 votes（161,543 votes）	0.01%
Votes invalid: 0 vote	0.00%
Votes abstained: 211,051,226 votes（85,279,582 votes）	11.18%

* Including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Motion submitted for ratification (2) Proposed by the Board of Directors

Case: Resolution on ratification of the Distribution of 2022 Profits
(Recognize legal reserve and special reserve).

Descriptions:

I. The 2022 Earnings Distribution Table of Tatung Company has been approved by the Audit Committee and the Board of Directors. (Please refer to Attachment 3.) The explanation is as follows：
The company’s 2022 net income after tax was NT$9,377,353 thousand, plus other comprehensive income, reversal of special reserve, changes in equity of associates and joint ventures accounted for using the equity method, difference between consideration and carrying amount of subsidiaries acquired or disposed, changes in ownership interests in subsidiaries, disposal of investments in equity instruments designated at fair value through other comprehensive income, disposal of subsidiaries or investments accounted for using equity method, all of the adjustment items was NT$214,492 thousand. The retained earnings available for distribution totaled NT$9,591,845 thousand.
The legal reserve was set aside in the amount of NT$959,184 thousand, and special reserve in the amount of NT$8,632,661 thousand. No dividends distribution is proposed of this year.

II. Your ratification will be appreciated.

Resolution:

Voting Results:

Shares represented at the time of voting: 1,887,609,996

Voting Results*	% of the total represented share present
Votes in favor: 1,677,091,288 votes（813,524,729 votes）	88.84%
Votes against: 346,818 votes（246,818 votes）	0.01%
Votes invalid: 0 vote	0.00%
Votes abstained: 210,171,890 votes（84,400,246 votes）	11.13%

* Including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

<Proceedings>

Summary of Shareholders’ speeches:

1. Shareholder Account No. 00031744:

Recognized the Chairman’s announcement of dividend distribution for next year, and hoped it could be realized next year.

Expressed opinions on the President of Tatung Company concurrently serving as the President of ECS.

Expressed opinions on the powers and responsibilities of the President of the Company.

Inquired about the status of land owned by Tatung Company and the development progress of Furong Building.

Summary of Chair’s response:

The reason for not being able to distribute dividends is that the Company lost more than NT$20 billion when the management level took over, and more than NT$9 billion of such loss has been covered for the time being. We hope there would be good operating results next year to allow the Company to distribute dividends.

It is a good suggestion to have a full-time General Manager, and the Company will take this proposal into consideration.

Section Three —Election Items Proposed by the Board of Directors

Case: Election of new directors (elect 9 directors (3 independent directors and 6 non-independent directors).

Descriptions:

I. The term of office of the current directors of the Company will expire on October 20, 2023. With the convening of the (2023) annual general meeting of shareholders, it is proposed to hold a re-election in advance of at the (2023) annual general meeting of shareholders in accordance with the provisions of Article 199-1 of the Company Act.

II. Based on Article 15 of the Company's Articles of Association and the resolution of the board of directors on May 3, 2023, it is planned to elect 9 directors (3 independent directors and 6 non-independent directors) at the general meeting of shareholders. Election of directors shall adopt nomination system. The term of office will start from June 16, 2023, to June 15, 2026, a term of office of three years. All of the previous directors will be dismissed on the date that the Shareholders' Meeting dated of June 16, 2023, elects new directors.

III. For the list of candidates for directors (including independent directors) and their education and work experience, please refer to Attachment 4.

IV. Please refer to Attachment 7 for the "Rules for Election of Directors of Tatung Company".

V. Please elect.

Election Results:

Serial Number	Title	Account Number	Account(Name)	Elected Votes
1	Director	00853477	Representative of Gindon Investment Co.: Wkang-Hsiang Wang	2,654,316,436
2	Director	00222911	Chun-Lung Wu	2,491,968,335
3	Director	00834443	Representative of Xin Tong Investment Consultancy Co.: Ruey-Long Chen	2,128,685,393
4	Director	00834443	Representative of Xin Tong Investment Consultancy Co.: Bao-Huei Huang	1,568,975,177
5	Director	S10177****	Sian-Hua Huang	1,568,947,825
6	Director	00853477	Representative of Gindon Investment Co.: Da-Ho Yen	1,568,688,489

Serial Number	Title	Account Number	Account(Name)	Elected Votes
1	Independent Director	G10077****	Ching-Lung Lee	1,065,668,503
2	Independent Director	K12151****	Heng-Siang Wu	1,018,834,280
3	Independent Director	R10100****	Cin-Jhih Wu	1,010,011,839

<Proceedings>

Summary of shareholders' speeches: There were no questions from shareholders regarding the matters of elections at the shareholders' meeting.

Section Four — Discussion Items

Motion submitted for discussion (1)   Proposed by the Board of Directors

Case: Procedures for Shareholders' Meeting—Current Procedures and Proposed Amendments.

Descriptions:

I. According to Letter Tai-Zheng-Zhi-Li No. 11200041671 of Taiwan Stock Exchange dated March 17, 2023, the Company amended partial provisions of its Rules of Shareholders Meetings.

II. The highlight of the amendment is as follows:

Article	Major content of the highlight of additions and amendments
Article 3	Except for otherwise stated in the Regulations Governing the Administration of Shareholder Services of Public Companies, when the Company convenes a shareholder meeting by way of a video conference, it shall be stated in the Articles of Incorporation and resolved by the Board; a shareholder meeting by way of a video conference is subject to the resolution receiving the consent of more than half of the attending Directors at a Board meeting attended by more than two-thirds of the Directors.
Article 6-1	Apart from circumstances stated in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide connection equipment and necessary assistance to shareholders and stipulate the period for shareholders to apply with the Company and other relevant matters of notice.
Article 22	The amendment highlight is the same as Article 6-1.

III. For the comparison table on “Rules of Shareholders Meeting” before and after amendments regarding the current amendment, please refer to Attachment 5.

IV. Please discuss and resolve.

Resolution:

Voting Results:

Shares represented at the time of voting: 1,887,609,996

Voting Results*	% of the total represented share present
Votes in favor: 1,676,385,012 votes（813,506,418 votes）	88.80%
Votes against: 148,643 votes（148,643 votes）	0.00%
Votes invalid: 0 vote	0.00%
Votes abstained: 221,076,341 votes（84,516,732 votes）	11.18%

* Including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Motion submitted for discussion (2) Proposed by the Board of Directors

Case: To release the directors (Independent directors) and representative from the non-competition restrictions.

Descriptions:

I. According to Paragraph 1 of Article 209 of the Company Act, any director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

II. Since the directors (including independent directors) and their representatives nominated by the board of directors and newly elected by the general meeting of shareholders may invest in or operate other companies with the same or similar business scope as the Company, or serve as directors or supervisors of other companies on the premise of not damaging the interests of the Company, this proposal is submitted to the shareholders' meeting for approval in accordance with Paragraph 1 of Article 209 of the Company Act to discuss and agree to lift the restrictions on the non-competition of the new directors (including independent directors) and their representatives.

III. For the detailed list of the newly elected directors (including independent directors) and their representative candidates applicable to the lifting of non-compete restrictions, please refer to Attachment 6, but those applicable to the lifting shall only be the directors (including independent directors) and their representatives actually elected.

IV. Please discuss and resolve.

Resolution:

Voting Results:

Shares represented at the time of voting: 1,887,609,996

Voting Results*	% of the total represented share present
Votes in favor: 1,676,436,410 votes（813,557,816 votes）	88.81%
Votes against: 318,583 votes（318,583 votes）	0.01%
Votes invalid: 0 vote	0.00%
Votes abstained: 210,855,003 votes（84,295,394 votes）	11.17%

* Including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

<Proceedings>

Summary of shareholders' speeches: There were no questions from shareholders regarding the matters of elections at the shareholders' meeting.

Section Five — Extemporary Motions

<Proceedings>

Summary of Shareholders' speeches:

1. Shareholder Account No. 00250834:

   Recognized President Wang's leadership of Tatung Company in new energy, information integration and stock price performance in the past three years, and expressed appreciation and gratitude with a bouquet of flowers.

Summary of Chair's response:

I am deeply grateful for your recognition at the management level. This bouquet of flowers is dedicated to all directors and hardworking colleagues. Thank you.

2. Shareholder Account No. 00037906:

   Expressed opinions on the amount of annual rent income from the 11 factory buildings after the closure of TAI TUNG Company, and whether it would damage the Company's interests, as well as the progress of the land development projects.

   Expressed opinions on the Company's internal control management, false human resource management and excessive salary and bonus system, mismanagement of the Tatung Employee Welfare Committee and Tatung Joint Employee Welfare Committee.

Summary of Chair's response:
The company will actively deal with illegal matters found in the investigation.

Section Six —
The Chair: Today's agenda has been completed, and I hereby adjourn the meeting (at 9:53 am on June 16, 2023).

Note 1: The minutes of the general meeting of shareholders contain the essentials of the proceedings and their results per Paragraph 4 of Article 183 of the Company Act, and the meeting's content, procedures and speeches shall be subject to the audio-visual records of the meeting.

Note 2: The ratio of the number of votes for, against, invalid, abstaining and non-voting to the voting rights of shareholders present at the time of voting is calculated and rounded down to the second decimal place, hence there may be a difference in the value for a decimal place, resulting in the total ratios not being equal to 100.00%.

Attachment 1

2022 Business Report

Since its foundation from 104 years ago, the Tatung Company, a pioneer in Taiwan’s power system and consumer business, has been working alongside the government and its initiatives towards economic development. In recent years, we have dedicated ourselves to the transformation of energy creation, energy storage and energy saving. In 2022, the Company keep in good profit with the principal indicator of ESG, we have won the “TCSA Sustainability Report Category Traditional Manufacturing Category 1 Gold Award” for two consecutive years. We continue to focus on our core business while at the same time expanding our domain in the energy sector. With strong R&D and manufacturing capabilities, we aim to become an important driver for Taiwan and its companies to achieve net zero.

One. An Overview of Operations in 2022:

In 2022, revenue totaled NT$34.538 billion with a net income after tax NT$7,229 million. The overall operation is described as follows:

I. Impacted by the global pandemic, the Russia-Ukraine war and port congestion, our operations were severely challenged. However, benefits from the expansion of our power and energy businesses coupled with the consolidated statements integrated by Elitegroup Computer Systems Co., Ltd. since October 2022, overall revenue increased by 16.67% from the previous year. In addition, the Company's overall profitability improved through cost optimization, expense control and recognition of gains from derecognition of Chunghwa Picture Tubes Ltd.

II. Significant investment business:

(I) Elitegroup Computer Systems Co., Ltd.

In 2022, Elitegroup broke through its stereotype and continued to create new results. Its management core was strengthened through organizational restructuring, lean production planning, and the introduction of risk control mechanisms. The company focused on three major directions: stabilizing our core, building trust, and sharing a common vision, and has made great progress in finance, inventory, production and sales management, and corporate governance. Consolidated revenue in 2022 totaled NT$31.364 billion with earnings per share at NT$1.57.

(II) Tatung System Technologies Inc.

For consecutive 21 years, the company has continued to make profits and distribute dividends. In recent years, assisting the government and private companies in digital transformation have been the center of attention for the company. The company's expertise is increasing operational efficiency and decision analysis by strengthening the deployment of network information security solutions, covering intelligent solutions, consulting services, big data platforms, cloud computing, information and communication system integration, data security, and uninterrupted operation services. The consolidated revenue in 2022 totaled NT$4.347 billion with earnings per share at NT$2.02.

(III) Shan-Chih Asset Development Co., Ltd.

The 490 units of Tatung Smart Manor Phase 1 and the 41 units of The Green House (joint construction project) have all been sold out, recognizing a total revenue of NT$1.23 billion in 2022. Pre-sales of the 177 units of Tatung Smart Manor Phase 2 were completed in Q3 2020, with a total sales amount of approximately NT$ 2.5 billion, and delivery is expected to take place in Q3 2023.

(IV) Forward Electronics Co., Ltd.

By making good use of the core competitiveness, the company has expanded its sales of variable resistors, encoders, non-contact position sensors, and modular products in terms of precision components. As well as this, production equipment was also integrated to expand production scale and optimize manufacturing processes. In 2022, consolidated revenue totaled NT$890 million with earnings per share at NT$1.23.

(V) Chunghwa Picture Tubes, Ltd.

On August 29, 2022, the Taiwan Taoyuan District Court declared Chunghwa Picture Tubes Ltd., bankrupt and its registration of bankruptcy was granted by the Department of Commerce, MOEA. After assessment, the Company lost control over Chunghwa Picture Tubes and its subsidiaries from September 30, 2022, and recognized the relevant gains derecognized.

Two. 2023 Operational Highlights:

The Company's business spans the power sector, new energy, consumer electronics, and real estate.

I. Power Sector:

As the only equipment supplier in Taiwan to have a full range of transformers, reactors, distribution panels, GIS, and cables, we strive for business opportunities in relation to power equipment in line with Taipower's 10-Year Grid Reinforcement Program.

Aligning with the government's efforts to promote renewable energy and the 2050 Net zero target, we purse business opportunities with respect to wind power, solar power, energy storage systems, and booster stations.

As for smart meters, we are gradually producing good results in Japan, Thailand and Malaysia, and are making an effort to expand into the ASEAN market.

In terms of motors, with more than 70 years of technology and experience, we continue to provide motor products and services in a variety of fields alongside the development trends in the industry. Our products include ROT motors, high pressure maintenance motors, ultra-high efficiency motors, explosion-proof motors, spindle motors, and EV power systems.

II. New Energy:

The scope of new energy business covers solar power, energy storage, green power trading, other renewable energy sources, and net zero solutions. By combining the Group’s strengths, our team has expertise in green power supply resources and energy management technologies, upstream and downstream vendors are vertically integrated, completing the layout of the energy system value chain.

At the end of 2022, we installed more than 268MW of solar panels with a goal of 338MW by the end of 2023, while also proactively pursuing large-scale energy storage system construction projects and energy storage EPC projects.

III. Consumer Electronics:

We will focus on inverter energy saving and intelligent commercial/household products to enhance consumers’ daily life experiences via the Internet of Things. As electric cookers remain the No.1 product in Taiwan, we will take a proactive approach to expand the complete product seriation of kitchen appliances and develop overseas markets. In addition, we will continue to deepen our professional acoustic field and expand to smart home products. To do this, we will integrate advanced technology and intelligent functions to constantly provide professional design and manufacturing. With our stores winning the 2022 and 2023 Trusted Brands Gold Awards, and in addition to reinforcing brand channels and after-sales services, we will make an effort to strengthen E-commerce platforms, providing consumers with full-time services and better shopping experiences.

IV. Real Estate:

To create maximum value for company assets, we accelerate asset revitalization through strategic alliance and cooperation, supplemented by multiple resource revitalization approaches, such as urban renewal, the rebuilding of dangerous and old buildings and changing the nature of land use. At the same time, we will make an effort to develop new projects, continuing to expand the business. The Shuanglian Urban Renewal Project is the first case of successful integration of land externally purchased. The construction is set to take place in Q3 2023, with public sales expected in Q1 2024. The construction permit for Zhonghe MRT, a joint development project, is expected to be obtained in Q3 2023 and public pre-sales are scheduled in the same year.

V. Significant Investments:

(I) Elitegroup Computer Systems Co., Ltd.

With Digital Transformation and Manufacturing 2.0 underway, the company has repositioned and adjusted its operations strategy and created a “Productivity Center”. By doing so, the company can refine various processes, reinforce manufacturing flexibility, and optimize costs and expenses in order to meet the challenges of unpredictable capacity utilization arising from international conditions and a changing pandemic situation. In addition, with the gradual growth of smart manufacturing and the automotive electronics business, the company will increase the proportion of non-PC products by moving its development towards computers, artificial intelligence (AI), artificial intelligence of things (AIoT), electric vehicle chargers and energy technology, and cloud computing.

(II) Tatung System Technologies Inc.

The company will continue to develop our own software with marketability, while also developing cloud platforms, and cooperating with industry ecosystems. As well as this, the company will also strengthen the integration of external industry chains in more flexible and rapid approaches, forming integrated sales of product lines, customer services, and software applications. In doing so, the company will be raised to a leading information and communication technology integration service provider striving for continuous growth in revenue and profitability.

(III) Forward Electronics Co., Ltd.

By extending the transformation and restructuring plan, and focusing on niche products, the company will strive to create differentiated value and proactively expand into new markets with self-developed products. Additionally, the company has introduced automated production and testing equipment to develop alternative materials and integrate common materials to enhance quality and product efficiency while reducing production costs and continuing to increase competitive advantages.

Three. Future Prospects:

Facing rapid changes in the industry, the Group will devote to its management policy focusing on three main aspects: expansion of our core business, strengthening of upgrades and transformation, and reinforcement of our investment business. Under the positioning of industrial holdings, the Group will be fully committed to the development of its power, new energy, consumer electronics, and real estate businesses, while integrating investment in a bid to boost operational efficiency. The long-term development direction of the Group is energy creation, energy storage, and energy saving, and we aim to deliver better results and create maximum benefits for shareholders through environmental sustainability, social responsibility, and corporate governance.

Chairman: Wkang-Hsiang Wang Supervisor: Chin-Lai Wang Accounting Supervisor: Yi-Ting Liao

Independent Auditors' Report

To the Board of Directors of Tatung Co.:

Opinion

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

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public 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.

Emphasis of Matter– Derecognition of Some Subsidiaries

As stated in 6(j), Chunghwa Picture Tubes, Ltd. ("CPT"), a subsidiary of Tatung Co., was adjudicated bankrupt by the Taiwan Taoyuan District Court on August 29, 2022. The bankruptcy registration was approved by the Department of Commerce, Ministry of Economic Affairs, through Letter No. 11101187410 dated September 28, 2022. As a result, Tatung Co. evaluated that it lost control of CPT and its subsidiaries on September 30, 2022, and derecognized the assets and liabilities of these subsidiaries in the consolidated financial statements of September 30, 2022, and recognized the related derecognition gain or loss. Therefore, our conclusion is not modified in respect of this matter.

Emphasis of Matter– Contingent Liabilities

As stated in Note 9(d)(ii) 11), in December 2018, Chunghwa Picture Tubes Technology (Group) Co., Ltd. ("CPTTG") filed a civil lawsuit against Chunghwa Picture Tubes (Bermuda) Ltd. ("CPTB") for non performance of a payment. Later on March 28, 2019, Tatung Co. and Chunghwa Picture Tubes, Ltd. ("CPT") were added as defendants in the lawsuit. CPTTG claimed that Tatung Co. and CPTTG were jointly and severally liable for the claimed payment. Tatung Co. stated that it is difficult to determine whether the above requests should be compensated and the amount of compensation. The content and amount of the above requests may be resolved through lawsuits in the future, and therefore are not recognized as a liability in accordance with IAS 37 as a contingent liability (Because the existence of a present obligation that would result in an outflow of economic resources has not been confirmed, or the amount of the obligation cannot be estimated reliably). Therefore, our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022 of Tatung Co. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

(1) Revenue recognition

Please refer to Note 4(q) for the accounting principles on revenue recognition and Note 6(ac) for the description on revenue recognition.

(a) Description of key audit matter:

The timing for the transfer of commodity control is more complicated not only because of the diversity of income sources and huge transaction volume of the Company, but also the transaction terms vary with each client. These factors expose the Company to a significant risk of untimely recognition of revenue. Therefore, the test of revenue recognition is one of our key audit matters.

Therefore, the test of revenue recognition is one of our key audit matters.

(b) Auditing procedures performed:

The main audit procedures of the key audit matter mentioned above include:

· Understanding and testing the internal control design and implementation of the sales cycle.

·Sampling the original order or contract and reviewing the transaction terms in order to evaluate the accuracy of the timing for revenue recognition.

· Performing cut off test for revenues during the periods before and after the balance sheet date and reviewing whether there are significant sales returns and discounts after the period to confirm the reasonableness of revenue recognition.

(2) Contingent Liabilities

Please refer to Note 9(d)(ii) 11) of non-consolidated financial report for the disclosure of contingent liabilities.

(a) Description of key audit matter:

Chunghwa Picture Tubes Technology (Group) Co., Ltd. (“CPTTG”) filed an action in Fujian High People’s Court against Chunghwa Picture Tubes (Bermuda) Ltd. (“CPTB”) on December 29, 2018. On May 10, 2019, CPTTG amended their compliant and added Tatung Co. and CPT to the case as new defendants, claiming that the defendants were jointly and severally liable for the claimed payment. According to IAS 37, contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity or the amount of the obligation could not be measured reliably. Since Tatung Co. and CPT claimed the amount mentioned above would possibly be solved through litigation procedures and the assertion involved significant judgement, assessment and estimation of the management.

Therefore, the assessment of contingent liabilities is one of our key audit matters.

(b) Auditing procedures performed:

The main audit procedures of the key audit matter mentioned above include:

· Obtaining the assertion and statement of the Company for the contingent liability.

· Interviewing with the Company’ s management and internal legal personnel, and reviewing documents related to legal cases.

· Obtaining the legal opinion from lawyers appointed by the Company concerning the case.

· Assessing whether the accounting judgments and estimations are consistent and reasonable in accordance with the accounting standards.

(3) Investment using the equity method

Please refer to Notes 4(i) and (j) for accounting policies for investing in affiliated enterprises and subsidiaries; Note 5 for the judgment of control; and Note 6(h) and (i) for details on the investment using the equity method.

(a) Description of key audit matter:

As of December 31, 2022, the investment of the Company using the equity method was $58,000,560 thousand, representing 72% of the total assets, which is significant for the financial statements. We evaluate whether each invested enterprise has substantial control ability, and every time the aforementioned statement applies, we evaluate further on whether it has been regarded as a subsidiary in accordance with the regulations and included in the preparation of the consolidated financial statements. We also examine whether the long-term equity investments that have a significant influence over the invested enterprise are evaluated using the equity method. Furthermore, we assess the accuracy of the aforementioned accounting treatment, which has a significant impact on the financial statements.

Therefore, the use of the equity method to assess the control or significant influence of the investment individual is one of our key audit matters.

(b) Auditing procedures performed:

The main audit procedures of the key audit matter mentioned above include:

· Obtaining the latest investment structure chart of the Company, inquiring the reasons for relevant changes, and understanding the accounting basis and the appropriateness of the classification of the Company's investment using the equity method.

· Evaluating the shareholding status of the Company in each reinvested enterprise, understanding the composition of the board of directors, management, shareholder structure, and related investment contracts, to evaluate whether the Company's identification of each reinvested enterprise is handled in accordance with the relevant standards.

· Examining whether the financial statements audited by an accountant have been obtained in accordance with the regulations when recognizing investment gains and losses and other comprehensive gains and losses for investments using the equity method and understanding the impact of major events in the investee company's financial statements on the non-consolidated financial statements.

· Requesting confirmation or taking physical count to verify the existence and ownership of equity method investments on the books.

(4) Fair value evaluation of investment property

Please refer to Note 4(k) for the accounting policies of investment property; Note 5 for the accounting estimates and assumptions on the fair value of investment property; and Note 6(m) for relevant details of investment property.

(a) Description of key audit matter:

Since the subsequent measurement of investment property adopts the fair value model, the method and process of fair value assessment involves subjective accounting estimates and judgments of the management. Also, the inclusion of changes in fair value in profit or loss will significantly affect the fair value adjustment benefits of investment property in the current year.

Therefore, the fair value evaluation of investment property is one of our key audit matters.

(b) Auditing procedures performed:

The main audit procedures of the key audit matter mentioned above include:

· Assessing the professions, competence, and independence of external independent evaluators used by management, and verifying the evaluators' qualifications to confirm that there are no issues that affect their objectivity or limit their scope of work.

· Appointing external experts to assist in reviewing the fair value valuation report, understanding whether the valuation methods and assumptions comply with the financial reporting standards for securities issuers and the technical rules for real estate valuation, as well as assessing the relevance and reliability of the data sources and important parameters used in the valuation report to confirm the reasonableness of its valuation results.

· Querying and re-accounting to confirm the correctness of the accounting process.

Other Matter

We did not audit the financial statements of certain equity-accounted investees. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for certain equity-accounted investees, are based solely on the reports of the other auditors. The amount of long-term investments in these investee companies represented 8% of the related total assets at December 31, 2022 and 2021, and the related investment gain represented 3% of total profit before tax for the years ended December 31, 2022 and 2021.

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

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

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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Non-Consolidated 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Li-Chen Lai.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2023

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only 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 auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

TATUNG CO.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	Amount	%	Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 2,729,155	3	1,998,202	3
1110	Current financial assets at fair value through profit or loss (Note 6(b))	388	-	184	-
1120	Current financial assets at fair value through other comprehensive income (Notes 6(c) and (h))	406,044	-	481,316	1
1136	Current financial assets at amortized cost, net (Notes 6(d) and 8)	3,222,987	4	2,824,137	3
1140	Contract assets－current (Note 6(ac))	933,312	1	686,189	1
1150	Notes receivable, net (Note 6(e))	236,296	-	179,503	-
1170	Accounts receivable, net (Note 6(e))	1,600,769	2	1,357,503	2
1180	Accounts receivable－related parties, net (Notes 6(e) and 7)	606,678	1	1,274,577	2
1196	Lease payments receivable, net	61	-	67	-
1200	Other receivables	254,888	-	299,258	-
1210	Other receivables－related parties (Note 7)	265,312	-	279,598	-
1220	Current tax assets (Note 6(y))	12,066	-	12,859	-
130X	Inventories (Notes 6(f) and 8)	5,784,267	7	3,836,119	5
1410	Prepayments (Notes 7 and 8)	470,132	1	114,261	-
1460	Non-current assets classified as held for sale, net (Note 6(g))	-	-	26,017	-
	Total current assets	16,522,355	19	13,369,790	17
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income－non-current (Note 6(c))	98,568	-	109,162	-
1535	Non-current financial assets at amortized cost, net (Notes 6(d) and 8)	464,817	1	566,419	1
1550	Investment accounted for using the equity method (Notes 6(h) and 8)	58,000,560	72	53,179,329	70
1560	Non-current contract assets (Notes 6(ac) and 8)	666,299	1	764,625	1
1600	Property, plant and equipment (Notes 6(k) and 8)	4,514,066	5	4,352,195	6
1755	Right-of-use assets (Note 6(l))	80,845	-	282,057	-
1760	Investment property, net (Notes 6(m) and 8)	559,000	1	260,312	-
1780	Intangible assets (Notes 6(n) and 8)	3,229	-	1,146	-
1975	Net defined benefit asset, non-current (Note 6(x))	50,957	-	-	-
1840	Deferred tax assets (Note 6(y))	368,300	-	397,870	1
1995	Other non-current assets, others (Notes 6(o) and 7)	145,003	-	264,780	-
1920	Guarantee deposits paid (Notes 6(q), 7 and 8)	388,900	-	303,100	-
1932	Long-term accounts receivables (Note 6(p))	606	-	1,514	-
1942	Long-term accounts receivables due from related parties (Notes 6(p) and 7)	442,284	1	2,710,484	4
	Total non-current assets	65,783,434	81	63,192,993	83
	Total assets	**$ 82,305,789**	**100**	**76,562,783**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

TATUNG CO.

Balance Sheets (CONT'D)

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022			December 31, 2021	
	Liabilities and Equity		**Amount**	**%**	**Amount**	**%**
	Current liabilities:					
2100	Short-term borrowings (Note 6(q))	$	1,895,058	3	1,041,036	2
2110	Short-term notes and bills payable (Note 6(r))		99,795	-	349,813	-
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))		654	-	869	-
2130	Contract liabilities－current (Note 6(ac))		1,191,009	1	1,414,510	2
2170	Accounts payable		2,571,307	3	2,351,734	3
2180	Accounts payable－related parties (Note 7)		420,349	1	478,890	1
2200	Other payables (Note 6(x))		1,135,509	1	884,380	1
2220	Other payables－related parties (Note 7)		60,035	-	121,574	-
2250	Provisions－current (Note 6(u))		297,144	-	154,860	-
2280	Lease liabilities－current (Notes 6(t) and 7)		31,816	-	248,304	-
2310	Advance receipts		476	-	5,137	-
2313	Unearned revenue (Note 6(v))		13,295	-	7,800	-
2322	Long-term borrowings, current portion (Note 6(s))		23,955	1	1,895,682	3
2399	Other current liabilities		67,926	-	74,122	-
	Total current liabilities		7,808,328	10	9,028,711	12
	Non-Current liabilities:					
2540	Long-term borrowings (Note 6(s))		22,648,345	28	16,449,913	22
2550	Provisions－non-current (Note 6(u))		132,983	-	114,229	-
2570	Deferred tax liabilities (Note 6(y))		267,797	-	247,885	-
2580	Lease liabilities－non-current (Notes 6(t) and 7)		40,609	-	35,009	-
2640	Defined benefit liabilities, net (Note 6(x))		-	-	200,753	-
2645	Guarantee deposits received		6,461	-	6,964	-
2650	Credit balance of investments accounted for using the equity method (Note 6(h))		188,936	-	12,290,633	16
	Total non-current liabilities		23,285,131	28	29,345,386	38
	Total liabilities		31,093,459	38	38,374,097	50
	Equity attributable to owners of parent (Notes 6(c) and (z)):					
3110	Ordinary shares		23,395,367	28	23,395,367	31
3200	Capital surplus		3,441,732	4	3,452,748	5
	Retained earnings:					
3310	Legal reserve		693,620	1	323,942	-
3320	Special reserve		11,536,279	14	8,809,617	11
3350	Unappropriated retained earnings (accumulated deficit)		9,591,846	12	3,696,785	5
	Total retained earnings		21,821,745	27	12,830,344	16
	Other equity interest:					
3410	Exchange differences on translation of foreign financial statements		(659,390)	(1)	(1,503,727)	(2)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		(200,167)	-	(221,971)	-
3460	Revaluation surplus		3,529,084	4	266,779	-
	Total other equity interest		2,669,527	3	(1,458,919)	(2)
3500	Treasury shares		(116,041)	-	(30,854)	-
	Total equity		51,212,330	62	38,188,686	50
	Total liabilities and equity	$	**82,305,789**	**100**	**76,562,783**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG CO.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

Code		2022 Amount	%	2021 Amount	%
	Operating Revenues (Notes 6(ac) and 7):				
4110	Sales revenue	$ 16,838,914	100	16,263,901	101
4170	Less: Sales returns	6,009	-	5,274	-
4190	Sales discounts and allowances	40,465	-	82,500	1
4100	**Operating revenue, net**	16,792,440	100	16,176,127	100
5000	**Operating costs (Notes 6(f), (t), (x), (ad) and 7)**	14,160,686	84	13,856,934	86
5900	**Gross profit (loss) from operations**	2,631,754	16	2,319,193	14
5910	Less: Unrealized profit (loss) from sales	47,514	-	22,363	-
5920	Add: Realized profit (loss) on from sales	79,904	-	58,735	-
	Gross profit (loss) from operations, net	2,664,144	16	2,355,565	14
6000	**Operating expenses (Notes 6(e), (t), (x), (ac) and (ad)):**				
6100	Selling expenses	787,738	5	816,537	5
6200	Administrative expenses	568,108	3	662,624	4
6300	Research and development expenses	492,552	3	588,883	4
6450	Expected credit loss (gain)	(19,672)	-	80,383	-
	Total operating expenses	1,828,726	11	2,148,427	13
6500	**Net other income (expenses)**	2,391	-	414	-
	Net operating income (loss)	837,809	5	207,552	1
	Non-operating income and expenses (Notes 6(b), (c), (e), (h), (k), (t) and (ae)):				
7100	Interest income	81,733	-	104,117	1
7010	Other income	139,976	1	277,591	2
7020	Other gains and losses, net	10,371,019	62	247,446	2
7050	Finance costs	(424,752)	(3)	(570,811)	(4)
7055	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9, net	(2,301,523)	(14)	(208,997)	(1)
7060	Shares of loss of associates accounted for using the equity method	725,123	4	3,586,553	22
	Total non-operating income and expenses	8,591,576	50	3,435,899	22
	Profit (loss) from continuing operations before tax	9,429,385	55	3,643,451	23
7950	Less: Income tax expenses (Note 6(y))	52,032	-	(28,668)	-
	Profit (loss)	9,377,353	55	3,672,119	23
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	151,391	1	46,850	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(62,893)	-	43,702	-
8330	Shares of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	3,049,577	18	(179,475)	(1)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	3,138,075	19	(88,923)	(1)
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8380	Shares of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss	120,802	1	(528,878)	(3)
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	120,802	1	(528,878)	(3)
8300	**Other comprehensive income**	3,258,877	20	(617,801)	(4)
	Total comprehensive income	**$ 12,636,230**	**75**	**3,054,318**	**19**
	Earnings (loss) per share (NT dollars) (Note 6(ab))				
9750	Basic earnings (loss) per share	$	**4.02**		**1.57**
9850	Diluted earnings (loss) per share	$	**4.01**		**1.57**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG CO.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation surplus	Treasury shares	Total equity
Balance at January 1, 2021	$ 23,395,367	3,305,175	323,942	9,730,518	(866,190)	(974,849)	(47,848)	266,779	(30,854)	35,102,040
Profit for the year ended December 31, 2021	-	-	-	-	3,672,119	-	-	-	-	3,672,119
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	37,462	(528,878)	(126,385)	-	-	(617,801)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	3,709,581	(528,878)	(126,385)	-	-	3,054,318
Appropriation and distribution of retained earnings:										
Special reserve used to offset accumulated deficits	-	-	-	(866,190)	866,190	-	-	-	-	-
Reversal of special reserve	-	-	-	(54,711)	54,711	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	7,053	-	-	(59,765)	-	-	-	-	(52,712)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(14,272)	-	-	-	-	(14,272)
Changes in ownership interests in subsidiaries	-	40,520	-	-	(41,208)	-	-	-	-	(688)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	47,738	-	(47,738)	-	-	-
Exercise of disgorgement	-	100,000	-	-	-	-	-	-	-	100,000
Balance at December 31, 2021	23,395,367	3,452,748	323,942	8,809,617	3,696,785	(1,503,727)	(221,971)	266,779	(30,854)	38,188,686
Profit for the year ended December 31, 2022	-	-	-	-	9,377,353	-	-	-	-	9,377,353
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	181,304	120,802	(305,534)	3,262,305	-	3,258,877
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	9,558,657	120,802	(305,534)	3,262,305	-	12,636,230
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	369,678	-	(369,678)	-	-	-	-	-
Special reserve appropriated	-	-	-	3,327,106	(3,327,106)	-	-	-	-	-
Reversal of special reserve	-	-	-	(26,275)	26,275	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	(85,187)	(85,187)
Changes in equity of associates and joint ventures accounted for using the equity method	-	(501)	-	-	(103,516)	-	-	-	-	(104,017)
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	(574,169)	213,071	723,535	361,098	-	-	723,535
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(136,347)	-	-	-	-	(136,347)
Changes in ownership interests in subsidiaries	-	(10,515)	-	-	(55)	-	-	-	-	(10,570)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	33,760	-	(33,760)	-	-	-
Balance at December 31, 2022	**$ 23,395,367**	**3,441,732**	**693,620**	**11,536,279**	**9,591,846**	**(659,390)**	**(200,167)**	**3,529,084**	**(116,041)**	**51,212,330**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG CO.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 9,429,385	3,643,451
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	740,656	724,349
Amortization expenses	917	1,896
Expected credit losses (gains)	2,281,851	289,380
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	17,869	(9,345)
Interest expenses	424,752	570,811
Interest income	(81,733)	(104,117)
Dividend income	(28,212)	(36,927)
Shares of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	(725,123)	(3,586,553)
Losses (gains) on disposal of property, plant and equipment	(1,403)	(2,394)
Losses (gains) on disposal of investments	(9,820,115)	(278,893)
Realized loss (profit) on from sales	(32,390)	(36,372)
Loss (gain) on fair value adjustment of investment property	(298,688)	(93,762)
Gains on lease amendments	(2,391)	(414)
Government grants income	(7,051)	(5,100)
Gains recognized on bargain purchase transactions	(391,758)	-
Total adjustments to reconcile profit (loss)	(7,922,819)	(2,567,441)
Changes in operating assets and liabilities:		
Contract assets	(191,841)	(586,521)
Notes receivable	(62,875)	(36,566)
Accounts receivable	(221,169)	136,084
Accounts receivable due from related parties	(82,126)	347,903
Lease payments receivable	6	(6)
Finance lease receivable	-	(832)
Other receivable	45,885	(43,850)
Other receivable due from related parties	23,759	59,356
Inventories	(2,034,248)	(400,921)
Prepayments	(355,991)	123,767
Other non-current assets	63,197	74,907
Accounts receivable, non-current	18,848	-
Accounts receivable, non-current, due from related parties	55,777	65,310
Financial liabilities measured at fair value through profit or loss	(5,821)	2,971
Contract liabilities	(223,501)	895,013
Accounts payable	219,573	68,348
Accounts payable to related parties	(58,541)	(197,851)
Other payable	107,104	12,707
Other payable to related parties	(61,539)	18,704
Provisions	213,340	51,613
Receipts in advance	(4,661)	1,621
Deferred revenue and long-term deferred revenue	12,546	10,075
Other current liabilities	(7,957)	46,281
Net defined benefit liabilities and assets	(100,319)	(79,168)
Total adjustments	(10,573,373)	(1,998,496)
Cash inflow (outflow) generated from operations	(1,143,988)	1,644,955
Interest received	10,431	4,216
Dividends received	141,296	9,918,217
Interest paid	(424,572)	(571,513)
Income taxes refund (paid)	(1,757)	(124)
Net cash flows from (used in) operating activities	(1,418,590)	10,995,751

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TATUNG CO.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	22,973	128
Acquisition of financial assets at amortized cost	(9,703,684)	(6,404,959)
Proceeds from disposal of financial assets at amortized cost	9,406,436	5,392,988
Acquisition of financial assets at fair value through profit or loss	(1,300,721)	(75,403)
Proceeds from disposal of financial assets at fair value through profit or loss	1,288,254	77,095
Acquisition of investments accounted for using the equity method	(1,746,016)	(1,850,979)
Proceeds from disposal of investments accounted for using equity method	10,736	-
Proceeds from capital reduction of investments accounted for using the equity method	147,000	1,000,000
Proceeds from liquidation refund of investments accounted for using the equity method	5,345	76,824
Proceeds from disposal of non-current assets classified as held for sale	32,000	884,661
Acquisition of property, plant and equipment	(663,369)	(653,860)
Proceeds from disposal of property, plant and equipment	69,651	2,508
(Increase) Decrease in refundable deposits	(85,800)	48,060
Acquisition of intangible assets	(3,000)	-
Net cash flows from (used in) investing activities	(2,520,195)	(1,502,937)
Cash flows from (used in) financing activities:		
Increase in short-term loans	5,781,606	4,267,871
Decrease in short-term loans	(4,927,584)	(3,926,045)
Increase in short-term notes and bills payable	3,250,000	2,800,000
Decrease in short-term notes and bills payable	(3,500,000)	(2,450,000)
Proceeds from long-term debt	5,100,000	11,969,333
Repayments of long-term debt	(772,527)	(19,329,252)
(Decrease) increase in guarantee deposits received	(503)	4,174
Decrease in other payables to related parties	-	(3,400,000)
Payments of lease liabilities	(261,254)	(256,720)
Exercise of disgorgement	-	100,000
Net cash flows from (used in) financing activities	4,669,738	(10,220,639)
Net increase (decrease) in cash and cash equivalents	730,953	(727,825)
Cash and cash equivalents at beginning of period	1,998,202	2,726,027
Cash and cash equivalents at end of period	$ **2,729,155**	**1,998,202**

See accompanying notes to parent company only financial statements.

Independent Auditors' Report

To the Board of Directors of Tatung Co.:

Opinion

We have audited the consolidated financial statements of Tatung Co. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance endorsed 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter-Derecognition of Some Subsidiaries

As stated in Note 4(b)(iii) and 6(k)(iii), Chunghwa Picture Tubes, Ltd. ("CPT"), a subsidiary of Tatung Co., was adjudicated bankrupt by the Taiwan Taoyuan District Court on August 29, 2022. The bankruptcy registration was approved by the Department of Commerce, Ministry of Economic Affairs, through Letter No. 11101187410 dated September 28, 2022. As a result, Tatung Co. evaluated that it lost control of CPT and its subsidiaries on September 30, 2022, and derecognized the assets and liabilities of these subsidiaries in the consolidated financial statements of September 30, 2022, and recognized the related derecognition gain or loss. Therefore, our conclusion is not modified in respect of this matter.

Emphasis of Matter-Contingent Liabilities

As stated in Note 9(f)(iii) 11), in December 2018, Chunghwa Picture Tubes Technology (Group) Co., Ltd. (“ CPTTG”) filed a civil lawsuit against Chunghwa Picture Tubes (Bermuda) Ltd. (“ CPTB”) for non-performance of a payment. Later on March 28, 2019, Tatung Co. and Chunghwa Picture Tubes, Ltd. (“CPT”) were added as defendants in the lawsuit. CPTTG claimed that Tatung Co. and CPTTG were jointly and severally liable for the claimed payment. Tatung Co. stated that it is difficult to determine whether the above requests should be compensated and the amount of compensation. The content and amount of the above requests may be resolved through lawsuits in the future, and therefore are not recognized as a liability in accordance with IAS 37 as a contingent liability (Because the existence of a present obligation that would result in an outflow of economic resources has not been confirmed, or the amount of the obligation cannot be estimated reliably). Therefore, our conclusion is not modified in respect of this matter.

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. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

(1) Revenue recognition

Please refer to Note 4(q) for the accounting principles on revenue recognition and Note 6(ad) for the description on revenue recognition.

(a) Description of key audit matter:

The timing for the transfer of commodity control is more complicated not only because of the diversity of income sources and huge transaction volume of the Group, but also the transaction terms vary with each client. These factors expose the Group to a significant risk of untimely recognition of revenue.

Therefore, the test of revenue recognition is one of our key audit matters.

(b) Auditing procedures performed:

The main audit procedures of the key audit matter mentioned above include:

·Understanding and testing the internal control design and implementation of the sales cycle.

·Sampling the original order or contract and reviewing the transaction terms in order to evaluate the accuracy of the timing for revenue recognition.

·Performing cut off test for revenues during the periods before and after the balance sheet date and reviewing whether there are significant sales returns and discounts after the period to confirm the reasonableness of revenue recognition.

(2) Contingent Liabilities

Please refer to Note 9(f) for the disclosure of contingent liabilities.

(a) Description of key audit matter:

Chunghwa Picture Tubes Technology (Group) Co., Ltd. ("CPTTG") filed an action in Fujian High People's Court against Chunghwa Picture Tubes (Bermuda) Ltd. ("CPTB") on December 29, 2018. On March 28, 2019, CPTTG amended their compliant and added Tatung Co. and CPT to the case as new defendants, claiming that the defendants were jointly and severally liable for the claimed payment. According to IAS 37, contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity or the amount of the obligation could not be measured reliably. Since Tatung Co. and CPT claimed the amount mentioned above would possibly be solved through litigation procedures and the assertion involved significant judgement, assessment and estimation of the management.

Therefore, the assessment of contingent liabilities is one of our key audit matters.

(b) Auditing procedures performed:

The main audit procedures of the key audit matter mentioned above include:

·Obtaining the assertion and statement of the Group for the contingent liability.

·Interviewing with the Group's management and internal legal personnel, and reviewing documents related to legal cases.

·Obtaining a written legal opinion from a lawyer appointed by the Group concerning the case.

·Estimating whether the accounting judgments and estimations are consistent and reasonable in accordance with the accounting standards.

(3) Judgment of consolidated individuals

Please refer to Note 4(c), (j) and (x) for accounting policies of the subsidiaries and investment associates included in consolidated financial statements; Note 4(c) and 5 for judgment of control; and Note 6(j) for new acquisition of subsidiaries.

(a) Description of key audit matter:

According to IFRS 10, regardless of the nature of the investor's involvement with the investee, investors should determine whether a company is the parent company by assessing whether it controls the investee. Although Tatung Co. does not hold more than 50% of the shares of some entities, it still has the judgment of control, which directly affects the results of its consolidated financial statements, over the consolidated entities incorporated into its consolidated financial statements.

Therefore, the judgment of control over the consolidated individuals is one of our key audit matters.

(b) Auditing procedures performed:

The main audit procedures of the key audit matter mentioned above include:

·Obtaining the latest investment structure chart of the Group, inquiring about relevant changes, and checking the comprehensive shareholding status of Tatung Co. in each consolidated entity.

·Understanding the composition of the merged board of directors and management individually, and the changes in the number of directors.

·Evaluating the attendance of Tatung Co. at the individual shareholders' meeting and examining whether there is a relevant investment contract that may result in a situation of substantial control.

(4) Fair value evaluation of investment property

Please refer to Note 4(k) for the accounting policies of investment property; Note 5 for the accounting estimates and assumptions on the fair value of investment property; and Note 6(o) for relevant details of investment property.

(a) Description of key audit matter:

Since the subsequent measurement of investment property adopts the fair value model, the method and process of fair value assessment involves subjective accounting estimates and judgments of the management. Also, the inclusion of changes in fair value in profit or loss will significantly affect the fair value adjustment benefits of investment property in the current year.

Therefore, the fair value evaluation of investment property is one of our key audit matters.

(b) Auditing procedures performed:

The main audit procedures of the key audit matter mentioned above include:

·Assessing the professions, competence, and independence of external independent evaluators used by management, and verifying the evaluators' qualifications to confirm that there are no issues that affect their objectivity or limit their scope of work.

·Appointing external experts to assist in reviewing the fair value valuation report, understanding whether the valuation methods and assumptions comply with the financial reporting standards for securities issuers and the technical rules for real estate valuation, as well as assessing the relevance and reliability of the data sources and important parameters used in the valuation report to confirm the reasonableness of its valuation results.

·Querying and re-accounting to confirm the correctness of the accounting process.

Other Matter

We did not audit the financial statements of certain subsidiaries of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the reports of other auditors. The financial statements of the subsidiaries reflect the total assets constituting 20.78% and 5.41% of the consolidated total assets as of December 31, 2022 and 2021, and the total operating revenues constituting 15.93% and 17.8% of the consolidated total operating revenues for the year ended December 31, 2022 and 2021.

We did not audit the financial statements of certain investments which are accounted for using the equity method of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those investments, is based solely on the reports of other auditors. The amounts of the investments accounted for using the equity method constituted 1.11% and 4.61% of the consolidated total assets as of December 31, 2022 and 2021; and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method constituted 1.43% and 0.44% of the consolidated total profit before tax for the year ended December 31, 2022 and 2021.

Tatung Co. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we and other auditors have issued an unmodified opinion with emphasis of matter paragraph and other matters paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Li-Chen Lai.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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 auditors' 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 auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

TATUNG CO. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 14,176,071	11	8,296,327	7
1110	Current financial assets at fair value through profit or loss (Note 6(b))	1,073,882	1	1,106,351	1
1120	Current financial assets at fair value through other comprehensive income (Notes 6(c) and 8)	406,044	-	481,316	-
1136	Current financial assets at amortised cost, net (Note 6(d))	9,270,309	7	3,438,892	3
1140	Contract assets－current (Note 6(af))	1,337,733	1	1,037,331	1
1150	Notes receivable, net (Note 6(e))	308,628	-	327,274	-
1170	Accounts receivable, net (Note 6(e))	7,102,456	5	3,728,765	3
1180	Accounts receivable－related parties, net (Notes 6(e) and 7)	82,540	-	33,694	-
1196	Lease payments receivable, net	9,630	-	19,335	-
1197	Finance lease receivables, net (Note 6(f))	9,744	-	17,418	-
1200	Other receivables (Notes 6(c) and 8)	485,156	-	1,631,750	1
1210	Other receivables－related parties (Note 7)	10,972	-	1,088	-
1220	Current tax assets (Note 6(ab))	41,595	-	31,592	-
130X	Inventories (Notes 6(g) and 8)	19,908,171	15	13,687,604	12
1410	Prepayments (Notes 7 and 8)	1,230,756	1	580,530	2
1460	Non-current assets classified as held for sale, net (Note 6(h))	-	-	32,189	-
1479	Other current assets	466,870	-	522,144	1
1480	Current assets recognized as incremental costs to obtain contract with customers	599,849	-	158,844	-
	Total current assets	56,520,406	41	35,132,444	31
	Non-current assets:				
1510	Financial assets at fair value through profit or loss－non-current (Note 6(b))	319,033	-	217,200	-
1517	Financial assets at fair value through other comprehensive income－non-current (Notes 6(c) and 8)	421,631	-	2,678,014	2
1535	Non-current financial assets at amortised cost, net (Notes 6(d) and 8)	978,119	1	933,328	1
1550	Investment accounted for using the equity method (Notes 6(i) and 8)	1,783,803	2	5,448,308	6
1560	Non-current contract assets (Note 6(af))	671,158	1	798,158	1
1600	Property, plant and equipment (Notes 6(m), 7 and 8)	28,659,563	22	32,802,927	29
1755	Right-of-use assets (Notes 6(n), 7 and 8)	3,569,144	3	1,308,643	1
1760	Investment property, net (Notes 6(o) and 8)	36,466,720	27	30,203,826	27
1780	Intangible assets (Note 6(p))	626,488	-	44,492	-
1840	Deferred tax assets (Note 6(ab))	2,008,300	2	898,567	1
1990	Other non-current assets (Notes 6(q), 8 and 9(g))	1,060,193	1	901,538	1
1930	Long-term notes and accounts receivable, net (Note 6(r))	208,406	-	86,664	-
194D	Long-term finance lease receivable, net (Note 6(f))	5,584	-	12,238	-
1975	Net defined benefit asset, non-current (Note 6(aa))	267,841	-	-	-
	Total non-current assets	77,045,983	59	76,333,903	69
	Total assets	$ 133,566,389	100	111,466,347	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

TATUNG CO. AND SUBSIDIARIES

Consolidated Balance Sheets (CONT'D)

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(s))	$ 3,441,381	3	3,362,359	3
2110	Short-term notes and bills payable (Note 6(t))	355,696	-	759,101	-
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	654	-	869	-
2130	Contract liabilities－current (Notes 6(ag) and 9)	3,738,079	3	2,200,333	2
2150	Notes payable	43,936	-	45,998	-
2170	Accounts payable	8,542,843	7	18,968,256	17
2180	Accounts payable－related parties (Note 7)	81,060	-	157,472	-
2200	Other payables	4,072,359	3	9,880,405	9
2220	Other payables－related parties (Note 7)	2,505	-	5,640	-
2230	Current tax liabilities (Note (ab))	566,814	-	106,666	-
2250	Provisions－current (Notes 6(x) and 9)	1,064,741	1	217,043	-
2260	Liabilities related to non-current assets classified as held for sale (Note 6(h))	-	-	4,659	-
2280	Lease liabilities－current (Notes 6(v) and 7)	599,227	-	512,087	1
2315	Other advance receipts (Note 6(w))	3,679,144	3	675,400	-
2313	Unearned revenue (Note 6(y))	13,295	-	11,424	-
2322	Long-term borrowings, current portion (Note 6(u))	259,244	-	10,874,647	10
2399	Other current liabilities	1,225,602	1	789,953	1
	Total current liabilities	27,686,580	21	48,572,312	43
	Non-Current liabilities:				
2540	Long-term borrowings (Note 6(u))	33,114,686	25	25,517,486	23
2550	Provisions－non-current (Notes 6(x) and 9)	309,279	-	4,042,573	4
2570	Deferred tax liabilities (Note (ab))	6,395,723	5	6,264,378	6
2580	Lease liabilities－non-current (Notes 6(v) and 7)	634,982	-	856,920	1
2612	Long-term accounts payable	37,952	-	98,727	-
2630	Long-term deferred revenue (Note 6(y))	60,060	-	47,253	-
2640	Defined benefit liabilities, net (Note 6(aa))	207,777	-	452,884	-
2645	Guarantee deposits received	200,830	-	159,859	-
2650	Credit balance of investments accounted for using the equity method (Note 6(i))	19,970	-	19,970	-
2670	Other non-current liabilities	1,478	-	14,681	-
	Total non-current liabilities	40,982,737	30	37,474,731	34
	Total liabilities	68,669,317	51	86,047,043	77
	Equity attributable to owners of parent (Note 6(ac)):				
3110	Ordinary shares	23,395,367	17	23,395,367	21
3200	Capital surplus	3,441,732	3	3,452,748	3
	Retained earnings:				
3310	Legal reserve	693,620	1	323,942	-
3320	Special reserve	11,536,279	8	8,809,617	8
3350	Unappropriated retained earnings (accumulated deficit)	9,591,846	7	3,696,785	3
	Total retained earnings	21,821,745	16	12,830,344	11
	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	(659,390)	-	(1,503,727)	(1)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(200,167)	-	(221,971)	-
3460	Revaluation surplus	3,529,084	3	266,779	-
	Total other equity interest	2,669,527	3	(1,458,919)	(1)
3500	Treasury shares	(116,041)	-	(30,854)	-
	Total equity attributable to owners of parent:	51,212,330	39	38,188,686	34
36xx	Non-controlling interests	13,684,742	10	(12,769,382)	(11)
	Total equity	64,897,072	49	25,419,304	23
	Total liabilities and equity	$ 133,566,389	100	111,466,347	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TATUNG CO. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	**%**	**Amount**	**%**
	Operating Revenues (Notes 6(af) and 7):				
4110	Sales revenue	$ 34,824,266	101	29,967,377	101
4170	Less: Sales returns	82,624	-	109,695	-
4190	Sales discounts and allowances	202,682	1	252,876	1
4100	**Operating revenue, net**	34,538,960	100	29,604,806	100
5000	**Operating costs (Notes 6(g), (p), (af) and 7)**	27,247,387	79	22,372,072	76
	Gross profit from operations	7,291,573	21	7,232,734	24
	Operating expenses (Notes 6(e), (p), (af) and (ag)):				
6100	Selling expenses	2,724,400	8	2,933,086	10
6200	Administrative expenses	2,234,760	6	2,617,914	9
6300	Research and development expenses	919,634	3	778,095	3
6450	Expected credit loss	1,139,294	3	103,775	-
	Total operating expenses	7,018,088	20	6,432,870	22
6500	**Net other income (expenses)**	23,982	-	4,273	-
	Net operating income	297,467	1	804,137	2
	Non-operating income and expenses (Notes 6(e), (i), (j), (k), (v), (ah) and (ai)):				
7100	Interest income	158,098	-	78,508	-
7010	Other income	429,775	1	669,391	2
7020	Other gains and losses, net	10,212,620	30	3,846,735	13
7050	Finance costs	(1,792,813)	(5)	(2,521,106)	(9)
7055	Impairment gains (impairment losses) and reversal of impairment losses determined in accordance with IFRS 9, net	(2,526,499)	(7)	(222,443)	(1)
7060	Shares of (loss) profit of associates accounted for using the equity method	460,602	1	(1,769)	-
	Total non-operating income and expenses	6,941,783	20	1,849,316	5
	Profit (loss) from continuing operations before tax	7,239,250	21	2,653,453	7
7950	Less: Income tax expenses (Note 6(ab))	9,691	-	83,791	-
	Profit (loss)	7,229,559	21	2,569,662	7
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	214,083	1	43,775	-
8312	Gains (losses) on revaluation	3,342,310	10	-	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(547,204)	(2)	(308,858)	(1)
8320	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	3,919	-	1,378	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	91,464	-	(1,649)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	2,921,644	9	(262,056)	(1)
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	147,004	-	(645,967)	(2)
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss	63,824	-	(35,144)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(16,463)	-	(294)	-
	Components of other comprehensive income that will be reclassified to profit or loss	227,291	-	(680,817)	(2)
8300	**Other comprehensive income**	3,148,935	9	(942,873)	(3)
	Total comprehensive income	**$ 10,378,494**	**30**	**1,626,789**	**4**
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	$ 9,377,353	28	3,672,119	11
8620	Profit (loss), attributable to non-controlling interests	(2,147,794)	(7)	(1,102,457)	(4)
		$ 7,229,559	**21**	**2,569,662**	**7**
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 12,636,230	37	3,054,318	9
8720	Comprehensive income, attributable to non-controlling interests	(2,257,736)	(7)	(1,427,529)	(5)
		$ 10,378,494	**30**	**1,626,789**	**4**
	Basic earnings per share (NT dollars) (Note 6(ae))				
9750	Basic earnings per share	$	**4.02**		**1.57**
9850	Diluted earnings per share	$	**4.01**		**1.57**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG CO. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings			Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation surplus	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 23,395,367	3,305,175	323,942	9,730,518	(866,190)	(974,849)	(47,848)	266,779	(30,854)	35,102,040	(11,260,852)	23,841,188
Profit for the year ended December 31, 2021	-	-	-	-	3,672,119	-	-	-	-	3,672,119	(1,102,457)	2,569,662
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	37,462	(528,878)	(126,385)	-	-	(617,801)	(325,072)	(942,873)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	3,709,581	(528,878)	(126,385)	-	-	3,054,318	(1,427,529)	1,626,789
Appropriation and distribution of retained earnings:												
Special reserve used to offset accumulated deficits	-	-	-	(866,190)	866,190	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(54,711)	54,711	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using the equity method	-	7,053	-	-	(59,765)	-	-	-	-	(52,712)	-	(52,712)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(14,272)	-	-	-	-	(14,272)	14,272	-
Changes in ownership interests in subsidiaries	-	40,520	-	-	(41,208)	-	-	-	-	(688)	688	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(95,961)	(95,961)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	47,738	-	(47,738)	-	-	-	-	-
Exercise of disgorgement	-	100,000	-	-	-	-	-	-	-	100,000	-	100,000
Balance at December 31, 2021	23,395,367	3,452,748	323,942	8,809,617	3,696,785	(1,503,727)	(221,971)	266,779	(30,854)	38,188,686	(12,769,382)	25,419,304
Profit for the year ended December 31, 2022	-	-	-	-	9,377,353	-	-	-	-	9,377,353	(2,147,794)	7,229,559
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	181,304	120,802	(305,534)	3,262,305	-	3,258,877	(109,942)	3,148,935
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	9,558,657	120,802	(305,534)	3,262,305	-	12,636,230	(2,257,736)	10,378,494
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	369,678	-	(369,678)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,327,106	(3,327,106)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(26,275)	26,275	-	-	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	(85,187)	(85,187)	-	(85,187)
Changes in equity of associates and joint ventures accounted for using the equity method	-	(501)	-	-	(103,516)	-	-	-	-	(104,017)	-	(104,017)
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	(574,169)	213,071	723,535	361,098	-	-	723,535	18,410,017	19,133,552
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(136,347)	-	-	-	-	(136,347)	136,347	-
Changes in ownership interests in subsidiaries	-	(10,515)	-	-	(55)	-	-	-	-	(10,570)	10,570	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	10,154,926	10,154,926
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	33,760	-	(33,760)	-	-	-	-	-
	-	(11,016)	369,678	2,726,662	(3,663,596)	723,535	327,338	-	(85,187)	387,414	28,711,860	29,099,274
Balance at December 31, 2022	**$ 23,395,367**	**3,441,732**	**693,620**	**11,536,279**	**9,591,846**	**(659,390)**	**(200,167)**	**3,529,084**	**(116,041)**	**51,212,330**	**13,684,742**	**64,897,072**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG CO. AND SUBSIDIARIES

Consolidated 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 before tax	$	7,239,250	2,653,453
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expenses		2,071,873	2,218,954
Amortization expenses		13,886	11,626
Expected credit losses		3,665,793	326,218
Net gains on financial assets or liabilities at fair value through profit or loss		(24,563)	(15,062)
Interest expenses		1,792,813	2,521,106
Interest income		(158,098)	(78,508)
Dividend income		(45,270)	(52,498)
Share of profit (loss) of associates and joint ventures accounted for using the equity method		(460,602)	1,769
Losses (Gains) on disposal of property, plant and equipment		7,607	(35,842)
Loss (Gain) on disposal of investment properties		(1,486)	-
Gains on disposal of investments		(12,399,582)	(556,020)
Impairment loss on non-financial assets		38,965	26,135
Losses (Gains) on fair value adjustment of investment property		152,437	(2,580,201)
Gains on lease amendments		(23,982)	(4,273)
Government grants income		(91,781)	(6,609)
Property, plant and equipment transferred to expenses		73	-
Gain recognized on bargain purchase transactions		(391,758)	-
Total adjustments to reconcile profit		(5,853,675)	1,776,795
Changes in operating assets and liabilities:			
Contract assets		(200,763)	(492,376)
Notes receivable		12,597	(74,381)
Accounts receivable		1,205,090	(95,105)
Accounts receivable due from related parties		(48,417)	(22,346)
Lease payments receivable		9,705	(4,312)
Finance lease receivable		7,674	1,678
Other receivable		24,954	(518,156)
Other receivable due from related parties		37,065	547
Inventories		(3,195,789)	(247,160)
Prepayments		(583,742)	58,342
Other current assets		114,319	(246,243)
Incremental cost of obtaining the contract		(390,713)	-
Other non-current assets		(127,882)	490,912
Long-term accounts receivable, net		(78,934)	-
Long-term finance lease receivable, net		6,654	7,135
Net defined benefit asset		(134,514)	-
Current financial liabilities at fair value through profit or loss		(5,821)	(2,971)
Contract liabilities		614,966	1,118,442
Notes payable		(2,062)	(74,896)
Accounts payable		1,358,138	(323,557)
Accounts payable - related parties		(81,562)	(113,584)
Other payable (including related parties)		561,659	(576,863)
Provisions		676,279	53,143
Other advance receipts		(6,604)	(71,566)
Deferred revenue and long-term deferred revenue		89,967	7,575
Other current liabilities		186,278	61,284
Other non-current liabilities		(13,202)	13,202
Net defined benefit liability		(32,513)	(122,837)
Total adjustments		(5,850,848)	602,702
Cash inflow generated from operations		1,388,402	3,256,155
Interest received		140,582	37,141
Dividends received		78,887	232,315
Interest paid		(622,631)	(1,013,667)
Income taxes refund (paid)		(332,314)	225,182
Net cash flows from operating activities		652,926	2,737,126

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TATUNG CO. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		For the years ended December 31 2022	2021
Cash flows from (used in) investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		(12,261)	(169,456)
Proceeds from disposal of financial assets at fair value through other comprehensive income		213,673	917,438
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		108,876	-
Acquisition of financial assets at amortized cost		(12,691,724)	(6,968,544)
Proceeds from disposal of financial assets at amortized cost		10,353,322	6,143,312
Acquisition of financial assets at fair value through profit or loss		(2,738,563)	(4,451,037)
Proceeds from disposal of financial assets at fair value through profit or loss		3,700,004	4,602,946
Acquisition of investments accounted for using the equity method		(571,807)	(366,970)
Proceeds from disposal of investments accounted for using the equity method		10,704	-
Net cash flow from acquisition of subsidiaries		5,000,471	-
Proceeds from disposal of subsidiaries		(29,886)	-
Proceeds from capital reduction of investments accounted for using the equity method		-	13,991
Proceeds from disposal of non-current assets classified as held for sale		32,000	1,973,509
Acquisition of property, plant and equipment		(3,916,984)	(1,641,924)
Proceeds from disposal of property, plant and equipment		88,435	118,740
Acquisition of intangible assets		(9,018)	(8,959)
Proceeds from disposal of intangible assets		-	75
Acquisition of investment properties		(2,541)	(13,537)
Proceeds from disposal of investment properties		29,217	5,144
Net cash flows (used in) from investing activities		(436,082)	154,728
Cash flows from (used in) financing activities:			
Increase in short-term loans		6,038,907	4,773,683
Decrease in short-term loans		(4,794,476)	(4,455,780)
Increase in short-term notes and bills payable		1,836,669	3,211,688
Decrease in short-term notes and bills payable		(2,240,370)	(2,505,000)
Proceeds from long-term debt		6,787,480	24,819,600
Repayments of long-term debt		(877,908)	(28,138,475)
Increase in guarantee deposits received		13,723	27,379
Increase (decrease) in payables		(60,775)	98,727
Payments of lease liabilities		(434,314)	(401,330)
Exercise of disgorgement		-	100,000
Change in non-controlling interests		(671,843)	(95,961)
Net cash flows from (used in) financing activities		5,597,093	(2,565,469)
Effect of exchange rate changes on cash and cash equivalents		61,934	(305,237)
Net increase in cash and cash equivalents		5,875,871	21,148
Cash and cash equivalents at beginning of period		8,300,200	8,279,052
Cash and cash equivalents at end of period	$	**14,176,071**	**8,300,200**
Components of cash and cash equivalents			
Cash and cash equivalents reported in the balance sheet	$	14,176,071	8,296,327
Cash and cash equivalents classified to non-current assets (or disposal groups) to be sold		-	3,873
Cash and cash equivalents at end of period	$	**14,176,071**	**8,300,200**

See accompanying notes to consolidated financial statements.

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company’s 2022 Business Report, Financial Statements (including Consolidated Financial Statements), and the proposal for distribution of 2022 profits (Recognize legal and special reserve). The CPA firm, KPMG, has audited the Financial Statements and issued an audit opinion report. The Business Report, Financial Statements (including Consolidated Financial Statements), and the proposal for distribution of 2022 profits (Recognize legal and special reserve) have been reviewed and determined to be correct and accurate by the Audit Committee members of Tatung Company We hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

To Tatung Co. 2023 Annual General Shareholders’ Meeting

The convener of the Audit Committee

Lee Sheng-Cheng

March 15, 2023

Attachment 3

2022 Earnings Distribution Table

(Express in New Taiwan Dollars)

Item / Year	2022 Amount
Unappropriated retained earnings in the beginning of the fiscal period	0
Add (minus)：2022 net income after tax	9,377,352,826
Other comprehensive income	181,303,689
Reversal of special reserve	26,274,925
Changes in equity of associates and joint ventures accounted for using the equity method	(103,515,936)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	(136,346,895)
Changes in ownership interests in subsidiaries	(55,453)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	33,760,849
Disposal of subsidiaries or investments accounted for using equity method	213,071,448
Total of unappropriated retained earnings	9,591,845,453
Reserve	
1.Legal reserve	(959,184,545)
2.Special reserve Make up for losses in previous years with special surplus reserve	(8,632,660,908)
Retained earnings available for distribution as of the end of 2022	0
Shareholders’ Dividends	0

Note：

1. In accordance with the relevant laws and regulations prescribed by the Financial Supervisory Commission, R.O.C., A special surplus reserve shall be set aside for the net increase of Investment property subsequently measured using the fair value model. The special surplus reserve can be used to make up for losses, but when there is a surplus in the following year, the original amount of the loss to be made up should first be replenished in full before the distribution of the surplus.
2. The Company set aside special reserves and the regular shareholders’ meetings held from 2014 resolved to make up for its losses with the special reserve. As of this year, there is no deficit to be offset. However, to ensure that special reserve is set aside pursuant to law, special reserves yet to be reversed was $ 11,761,824 thousand.

Chairman: Wkang-Hsiang Wang Supervisor: Chin-Lai Wang Accounting Supervisor: Yi-Ting Liao

Attachment 4

List of Candidates for Directors (including Independent Directors)

Nominator: Board of Directors

Serial Number	Type of Candidate	Candidate Name	Educational Background	Experience	Current Position	Others Information
1	Director	Representative of Gindon Investment Co. Wkang-Hsiang Wang	Honorary Doctor of Engineering, National Taiwan Ocean University Master of Agricultural Economics, National Taiwan University	Chairman of Shanyuan Co., Ltd.	Chairman of Tatung Company Chairman of Sun-Yuan Development Corp. Chairman of Lung Hwa Electronics Co., Ltd. Chairman of Shan-Yuan Investment Corp. Chairman of Sun Yuan Venture Capital Corp. Chairman of Trican Biotechnology Co., Ltd. Chairman of Shan-Chih Asset Development Co. Chairman of Chih Sheng Realty Co., Ltd. Chairman of Tatung Industry Company Chairman of EONtronics International Co., Ltd. Director of Shanyuan Co., Ltd. Director of Shan Mong Development Corp. Director of Julianne Fine Art Ltd. Director of Union Wide Construction Co., Ltd. Director of Premier Venture Capital Corp. Director of Premier Capital Management Corp. Director of Chief Investment Corp. Director of K.K.Media Co., Ltd. Director of Ruby Tech Corporation	Number of share(s) held: 6,178,000 shares Business Administration No.: 12929833 Shareholder ID: 853477

Serial Number	Type of Candidate	Candidate Name	Educational Background	Experience	Current Position	Others Information
					Director of Kiwi Microsystem, Inc. Director of Hwa-Tsu Contracting Corp. Director of Expert Electronics (Wujiang)Co., Ltd. Director of Qingdao Lian Sheng Industrial Co., Ltd. Supervisor of Videosoft Global Co., Ltd.	
2	Director	Chun-Lung Wu	Hsing Kuo High School	Chairman of Jun Investment International Co., Ltd. Chairman of Hsin Yeomg An Cable TV Co., Ltd. Chairman of Ta Yang Cable Television Co., Ltd.	Vice Chairman of Tatung Company Chairman of Tatung Consumer Products (Taiwan) Co., Ltd. Chairman of Tatung Forever Energy Co., Ltd. Chairman of Tung Yang Energy Co., Ltd. Chairman of Yau Yang Energy Co., Ltd. Chairman of Ting Shin Energy Co., Ltd. Chairman of Shang Shin Energy Co., Ltd. Chairman of Zhi Shin Energy Co., Ltd. Chairman of Tung Kuang Energy Co., Ltd. Chairman of Tung Shin Energy Co., Ltd. Chairman of Chuang Shih Neng Co., Ltd. Chairman of Cinzhi Power Co., Ltd. Chairman of Da Tang Energy Co., Ltd. Chairman of Jungroup Fashion Boutique Co., Ltd.	Number of share(s) held: 70,000,000 shares Shareholder ID: 222911

Serial Number	Type of Candidate	Candidate Name	Educational Background	Experience	Current Position	Others Information
					Chairman of Junbao Construction Co., Ltd. Chairman of Ma Shen Kai Ruei Co., Ltd. Chairman of Yongxin Multimedia Co., Ltd. Representative of He Cao Foundation Director of Edora Park Co., Ltd. Director of Locus cell Co., Ltd. Director of Eastern Home Shopping & Leisure Co., Ltd. Director of Global Bio & Investment Co., Ltd. Director of Shan-Chih Asset Development Co.	
3	Director	Representative of Xin Tong Investment Consultancy Co.: Ruey-Long Chen	Bachelor of Economics, Chung Hsing University	Director－General of Bureau of Foreign Trade Vice Minister Chief of Ministry of Economic Affairs Deputy Minister of Ministry of Economic Affairs Minister of Ministry of Economic Affairs Chairman of Commerce Development Research Institute	Director of Tatung Company Chairman of China Petrochemical Development Corporation Chairman of SINOCON Industrial Standards Foundation Legal Representative of Unichen Development Limited Vice Chairman of Cross-Strait CEO Summit Executive Director of Core Pacific Twin Tower (Myanmar) Co., Ltd. Independent Director of Inventec Corporation Independent Director of Formosa Chemicals & Fibre Corporation Board Director of HannStar Board Corporation	Number of share(s) held: 30,549,000 shares Business Administration No.: 52401195 Shareholder ID: 834443

Serial Number	Type of Candidate	Candidate Name	Educational Background	Experience	Current Position	Others Information
				Chairman of Institute for information Industry	Board Director of Asia Cement Corporation Director of Kaohsiung Monomer Company Ltd. Director of Taivex Therapeutics Inc. Board Director of BES Engineering Corp. Director of Weihua (Rutung) Trade Co., Ltd. Director of WeiQiang International Trading (Shanghai) Co., Ltd. Director of Changzhou Weicai New Material Science & Technology Co., Ltd. Director of Weifong (Myanmer) Co., Ltd. Director of Thanh Phong Construction Investment Co., Ltd.	
4	Director	Representative of Gindon Investment Co. Da-Ho Yen	Bachelor of Law, National Taiwan University Master of Laws, Southern Methodist University, USA	Administrative Deputy Minister, Director of Prosecutor, counsellor, Ministry of Justice Chairman of Taiwan After-Care Association Chairman of Association for Victims Support Chief Prosecutor of Taipei, Pingtung and Peng-hu Prosecutors Office	Director of Tatung Company Independent director of AAEON Technology Inc. Independent director of Taipei Star Bank Independent director of Syncmold Enterprise Independent director of Taiwan FamilyMart Co., Ltd. Director of Taishin Charity Foundation	Number of share(s) held: 6,178,000 shares Business Administration No.: 12929833 Shareholder ID: 853477

Serial Number	Type of Candidate	Candidate Name	Educational Background	Experience	Current Position	Others Information
				Chief Prosecutor of Taiwan High Prosecutors Office Prosecutor General of Supreme Prosecutors Office		
5	Director	Representative of Xin Tong Investment Consultancy Co.: Bao-Huei Huang	Master's degree in John F. Kennedy School of Government, Harvard Kennedy School Master's degree in Mass Communications, San Jose State University, California PhD in International Business, National Taiwan University	Director of Want Want Broadband Media Corp. Director of HK Asia Television Ltd. Director of CTI ASIA Director of CTI Television Inc. Director of CTV Cultural Enterprise Ltd. General Manager of Polywin International Media Co., Ltd. Deputy General Manager of the Overseas Sales Department, Eastern Broadcasting Co., Ltd. Deputy General Manager of Asia Plus Broadcasting	Director of Tatung Company Chairman of President Link Limited Chairman of Richest Power Investment Ltd. Chairman of Medel Green Energy Ltd. Executive director of ET New Media Holding Co., Ltd. (ETtoday) Director of CTS (Chinese Television System) Director and Supervisor of the 9th/10th/11th/12th/13th term Harvard Club of the R.O.C.	Number of share(s) held: 30,549,000 shares Business Administration No.: 52401195 Shareholder ID: 834443

Serial Number	Type of Candidate	Candidate Name	Educational Background	Experience	Current Position	Others Information
				Anchor and Senior Reporter of Taiwan satellite TV network TVBS		
6	Director	Sian-Hua Huang	Master of public finance, National Chengchi University	Chairman of Grand Fortune Securities Co., Ltd. Full-time Member of Financial Supervisory Commission Chairman and CEO of Bailey Securities Co. EVP of Taiwan International Securities Co., Ltd. (TISC) Director of Taipei Exchange (TPEx)	Chairman of Grand Fortune Venture Capital Management Consulting Co., Ltd. Chairman of Grand Fortune Venture Capital Co., Ltd. Chairman of Fuyou Capital Co., Ltd. Chairman of Cai-qie-er Asset Management Co., Ltd. Chairman of Dayou Investment Co., Ltd. Director of Grand Fortune Securities Co., Ltd.	Number of share(s) held: 0 share Personal ID: S10177****
7	Independent Director	Ching-Lung Lee	PhD, University of Hannover, Germany	Minister of Council of Agriculture, Executive Yuan Chairman of Taiwan Fertilizer Co., Ltd. National Policy Advisor to the Presidential Office	Chairman of Cheer foods enterprises Co., Ltd. Chairman of BELX Biopharmaceutical Co., Ltd. Independent director of Sinphar pharmaceutical Co., Ltd. Independent director of Visgeneer Inc. Adjunct professor, National Taiwan University Chair Professor, National Chung Hsing University	Number of share(s) held: 0 share Personal ID: G10077****

Serial Number	Type of Candidate	Candidate Name	Educational Background	Experience	Current Position	Others Information
8	Independent Director	Cin-Jhih Wu	PhD in Materials Science, University of Southern California	General manager of ALi Corporation	Chief Technology Officer of ASUSTeK Computer Inc. Director of Guangyuan Investment Co., Ltd. Director of ENE TECHNOLOGY INC. Director of Askey Technology (Jiangsu) Ltd. Director of Ultimate Power Champion Director of uPI semiconductor corp. Director of GAIUS HOLDINGS LIMITED Supervisor of ASUSTOR Inc. Supervisor of Askey Computer Corp. Supervisor of Shinewave International Inc. Supervisor of Xiangfu Electronic Technology (Suzhou) Co., Ltd.	Number of share(s) held: 0 share Personal ID: R10100****
9	Independent Director	Heng-Siang Wu	Master of Accounting, Fu Jen Catholic University	Independent director of Alcorlink Corp.	Accounting firm's chief and Certified Public Accountant of Defeng United Accounting Firm Chairman of Zhongye Co., Ltd. Supervisor of TMY Technology Inc	Number of share(s) held: 0 share Personal ID: K12151****

Attachment 5

The comparison table on “Rules of Shareholders Meeting” before and after amendments

After amendments	Before amendments	Explanations
Article 3 Unless otherwise provided by law or regulation, the Company’s shareholders meetings shall be convened by the board of directors. Except for otherwise stated in the Regulations Governing the Administration of Shareholder Services of Public Companies, when the Company convenes a shareholder meeting by way of a video conference, it shall be stated in the Articles of Incorporation and resolved by the Board; a shareholder meeting by way of a video conference is subject to the resolution receiving the consent of more than half of the attending Directors at a Board meeting attended by more than two-thirds of the Directors. (Content not revised. Omitted)	Article 3 Unless otherwise provided by law or regulation, the Company’s shareholders meetings shall be convened by the board of directors. (Content not revised. Omitted)	Added the second paragraph to the participation of shareholders in shareholders meetings by way of a video call, and stated that, except for otherwise stated in the Regulations Governing the Administration of Shareholder Services of Public Companies, when the Company convenes a shareholder meeting by way of a video conference, it shall be stated in the Articles of Incorporation and resolved by the Board; a shareholder meeting by way of a video conference convened by the Company is subject to the resolution receiving the consent of more than half of the attending Directors (i.e., special resolution) at a Board meeting attended by more than two-thirds of the Directors.
Article 6-1 (Content not revised. Omitted) 3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual	Article 6-1 (Content not revised. Omitted) 3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual	1. If the Company convenes a shareholders’ meeting by way of a video conference, it shall at least provide the connection equipment and venue for shareholders to participate in the

After amendments	Before amendments	Explanations
shareholder meeting online shall be specified. <u>Apart from circumstances stated in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide connection equipment and necessary assistance to shareholders and stipulate the period for shareholders to apply with the Company and other relevant matters of notice.</u>	shareholder meeting online shall be specified.	meeting and assign relevant personnel to provide necessary assistance to shareholders; it shall also stipulate the period for shareholders to apply with the Company and other relevant matters of notice. 2. If any natural disaster, accident, or other force majeure occurs, as necessary auxiliary measures shall be provided based on the circumstances at the time, the exclusion clauses are added to subparagraph 3.
Article 22 When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online. <u>Apart from circumstances stated in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide connection equipment and necessary assistance to shareholders and stipulate the period for shareholders to apply with the Company and other relevant matters of notice.</u>	Article 22 When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online.	The amendment reason is the same as above.

Attachment 6

List of Directors (Independent Directors) and Representative Released from the Non-Competition Restrictions

To release Director Wkang-Hsiang Wang (Representative of Gindon Investment Co.) from his non-competition restrictions, so he may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during his tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Wkang-Hsiang Wang	Sun-Yuan Development Corp. (Commission construction companies to construct residential and commercial buildings for lease and sale)	Chairman
		Lung Hwa Electronics Co., Ltd. (Internet Protocol Set-Top Box)	Chairman
		Shan-Yuan Investment Corp. (Investment businesses for various production businesses, securities investment businesses, construction of commercial buildings and residential buildings, etc.)	Chairman
		Sun Yuan Venture Capital Corp. (Venture Investment)	Chairman
		Trican Biotechnology Co., Ltd. (Wholesale of precision instruments, retail, and biotechnology services)	Chairman
		Shan-Chih Asset Development Co. (Real Estate Leasing)	Chairman
		Chih Sheng Realty Co., Ltd. (Real property)	Chairman
		Tatung Industry Company (Construction industry-related materials manufacturing, trading and real estate leasing and selling business)	Chairman
		EONtronics International Co., Ltd. (Professional Investment)	Chairman
		Shanyuan Co., Ltd. (Commission construction companies to construct residential and commercial buildings for lease and sale)	Director
		Shan Mong Development Corp. (Commission construction companies to construct residential and commercial buildings for lease and sale, and related businesses)	Director
		Julianne Fine Art Ltd. (Wholesale of Building Materials, International Trade)	Director

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Wkang-Hsiang Wang	Union Wide Construction Co., Ltd. (Commission construction companies to construct residential and commercial buildings for lease and sale)	Director
		Premier Venture Capital Corp. (Venture Investment)	Director
		Premier Capital Management Corp. (Investment Consulting, Management Consulting)	Director
		Chief Investment Corp. (Investment)	Director
		K.K.Media Co., Ltd. (Arts and Literature Service)	Director
		Ruby Tech Corporation (Wired and Wireless Communication Mechanical Equipment Manufacturing)	Director
		Kiwi Microsystem, Inc. (Electronic Parts and Components Manufacturing, Computer and Peripheral Equipment Manufacturing)	Director
		Hwa-Tsu Contracting Corp. (Water pipe installation and lighting, fire safety equipment and electric machinery installation)	Director
		Expert Electronics (Wujiang)Co., Ltd. (Digital Set-Top Box, computer motherboard and board card)	Director
		Qingdao Lian Sheng Industrial Co., Ltd. (Real estate development, property management and sales of construction materials)	Director
		Videosoft Global Co., Ltd. (Marine surveillance image transmission services)	Supervisor

To release Director Chun-Lung Wu from his non-competition restrictions, so he may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during his tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Chun-Lung Wu	Tatung Consumer Products (Taiwan) Co., Ltd. (Retail channel)	Chairman
		Tatung Forever Energy Co., Ltd. (Solar energy)	Chairman
		Tung Yang Energy Co., Ltd. (Solar energy)	Chairman
		Yau Yang Energy Co., Ltd. (Solar energy)	Chairman
		Ting Shin Energy Co., Ltd. (Solar energy)	Chairman
		Shang Shin Energy Co., Ltd. (Solar energy)	Chairman

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Chun-Lung Wu	Zhi Shin Energy Co., Ltd. (Solar energy)	Chairman
		Tung Kuang Energy Co., Ltd. (Solar energy)	Chairman
		Tung Shin Energy Co., Ltd. (solar energy)	Chairman
		Chuang Shih Neng Co., Ltd. (Solar energy)	Chairman
		Cinzhi Power Co., Ltd. (Solar energy)	Chairman
		Da Tang Energy Co., Ltd. (Solar energy)	Chairman
		Jungroup Fashion Boutique Co., Ltd. (Clothing, radio and television programs, real estate)	Chairman
		Junbao Construction Co., Ltd. (Wholesale of building materials, investment in the construction of public construction, rental, and sales of residential and building development, interior decoration)	Chairman
		Ma Shen Kai Ruei Co., Ltd. (Biotechnology services, drug testing, food, and goods)	Chairman
		Yongxin Multimedia Co., Ltd. (Radio, TV and Audiovisual Engineering)	Chairman
		He Cao Foundation (Public charity, social welfare)	Representative
		Edora Park Co., Ltd. (Department store)	Director
		Locus cell Co., Ltd. (Biochemical technology research and development)	Director
		Eastern Home Shopping & Leisure Co., Ltd. (Wholesale and retail department store distribution)	Director
		Global Bio & Investment Co., Ltd. (Magazine/Journal Publishing)	Director
		Shan-Chih Asset Development Co. (Real property)	Director

To release Director Ruey-Long Chen (Representative of Xin Tong Investment Consultancy Co.) from his non-competition restrictions, so he may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during his tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Ruey-Long Chen	China Petrochemical Development Corporation (Petrochemical products, land development)	Chairman

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Ruey-Long Chen	SINOCON Industrial Standards Foundation (Standard formulation, optimization, and industrialization across the strait)	Chairman
		Unichen Development Limited (Re-investment)	Legal Representative
		Cross-Strait CEO Summit (Cross-strait economic and trade exchanges)	Vice Chairman
		Core Pacific Twin Tower (Myanmar) Co., Ltd. (Investment and technology consulting)	Executive Director
		Inventec Corporation (Notebook computer, server)	Independent Director
		Formosa Chemicals & Fibre Corporation (Pure terephthalic acid, polystyrene, styrene, o-xylene, p-xylene, benzene, synthetic phenol, acetone, polypropylene, dimethylformamide, ABS, rayon cotton, synthetic yarn, cloth, nylon silk, nylon silk cloth)	Independent Director
		HannStar Board Corporation (Electronic components, electronic materials)	Director
		Asia Cement Corporation (Cement, semi-finished products and finished products of cement)	Director
		Kaohsiung Monomer Company Ltd. (Acrylic raw materials)	Director
		Taivex Therapeutics Inc. (Biopharmaceuticals)	Director
		BES Engineering Corp. (Construction engineering, construction, industrial zone development)	Director
		Weihua (Rutung) Trade Co., Ltd. (Chemicals)	Director
		WeiQiang International Trading (Shanghai) Co., Ltd. (Chemical raw materials, plastic raw materials, rubber raw materials and their products)	Director
		Changzhou Weicai New Material Science & Technology Co., Ltd. (Engineering plastics, high-value petrochemical downstream products)	Director
		Weifong (Myanmer) Co., Ltd. (Construction engineering, real property)	Director
		Thanh Phong Construction Investment Co., Ltd. (Construction engineering, real property)	Director

To release Director Da-Ho Yen (Representative of Gindon Investment Co.) from his non-competition restrictions, so he may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during his tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Da-Ho Yen	AAEON Technology Inc. (Industrial system products, single-board computers, and peripherals)	Independent Director
		Taipei Star Bank (Banking)	Independent Director
		Syncmold Enterprise (Hinges, molds)	Independent Director
		Taiwan FamilyMart Co., Ltd. (Convenience store chain)	Independent Director
		Taishin Charity Foundation (Social charity, public welfare affairs)	Director

To release Director Bao-Huei Huang (Representative of Xin Tong Investment Consultancy Co.) from her non-competition restrictions, so she may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during her tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Bao-Huei Huang	President Link Limited (Investment Advisor, Radio, TV Program)	Chairman
		Richest Power Investment Ltd. (Investment Advisor, Radio, TV Program)	Chairman
		Medel Green Energy Ltd. (Electronic components, electrical retail, data processing services)	Chairman
		ET New Media Holding Co., Ltd. (ETtoday) (Radio, TV Program)	Executive Director
		CTS (Chinese Television System) (Radio, TV Program)	Director

To release Director Sian-Hua Huang from his non-competition restrictions, so he may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during his tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Sian-Hua Huang	Grand Fortune Venture Capital Management Consulting Co., Ltd. (Investment consultant, management consultant)	Chairman
		Grand Fortune Venture Capital Co., Ltd. (Venture Capital)	Chairman
		Fuyou Capital Co., Ltd. (General Investment, Venture Capital)	Chairman
		Cai-qie-er Asset Management Co., Ltd. (Investment consultant, management consultant)	Chairman

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Director	Sian-Hua Huang	Dayou Investment Co., Ltd. (General Investment)	Chairman
		Grand Fortune Securities Co., Ltd. (Securities, Futures Trading)	Director

To release Independent director Ching-Lung Lee from his non-competition restrictions, so he may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during his tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Independent director	Ching-Lung Lee	Cheer foods enterprises Co., Ltd. (Construction and repair of various fishing boats, processing of various seafood and eels, and related frozen food processing, manufacturing, and trading business)	Chairman
		BELX Biopharmaceutical Co., Ltd. (Biotech drugs)	Chairman
		Sinphar pharmaceutical Co., Ltd. (Therapeutic medicine, health food, medical cosmetic products)	Independent Director
		Visgeneer Inc. (Medical equipment, skin care products)	Independent Director

To release Independent director Cin-Jhih Wu from his non-competition restrictions, so he may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during his tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Independent director	Cin-Jhih Wu	ASUSTeK Computer Inc. (Computer, motherboard, graphics card, monitor, storage device, peripheral device, phone, wearable device, projector, network communication device, workstation, server)	Chief Technology Officer
		Guangyuan Investment Co., Ltd. (General Investment)	Director
		ENE TECHNOLOGY INC. (Integrated circuit design)	Director
		Askey Technology (Jiangsu) Ltd. (International network communication equipment manufacturing)	Director
		Ultimate Power Champion (Computer software and hardware, electronic products, integrated circuit design, development, and sales)	Director
		uPI semiconductor corp. (Power Management ICs, Battery Protection ICs, Discrete Power Components, Gallium Nitride (GaN) Power Solutions)	Director

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Independent director	Cin-Jhih Wu	GAIUS HOLDINGS LIMITED (Electric vehicles, automobiles, and their parts manufacturing)	Director
		ASUSTOR Inc. (Network storage device (NAS) design and related software, firmware, hardware development and integration)	Supervisor
		Askey Computer Corp. (Hardware manufacturing, software development, system data integration)	Supervisor
		Shinewave International Inc. (All-round software solutions, customized software for large enterprise customers, packaged software, IA embedded software)	Supervisor
		Xiangfu Electronic Technology (Suzhou) Co., Ltd. (Manufacturing Factory Automation System Solutions)	Supervisor

To release Independent director Heng-Siang Wu from his non-competition restrictions, so he may hold positions, invest in, or manage other businesses with business scopes similar or identical to our company during his tenure.

Position	Name	Major Business Items and Concurrent Positions in Other Companies	
Independent director	Heng-Siang Wu	Defeng United Accounting Firm (Accounting and account processing, financial visa business, tax consulting, business management and consulting)	Accounting firm's chief and Certified Public Accountant
		Zhongye Co., Ltd. (International trade, real estate leasing, electronic information supply services)	Chairman
		TMY Technology Inc. (Mobile communication, satellite communication application technology)	Supervisor

Attachment 7

Rules for Election of Directors of Tatung Company

Updated and resolved by the general meeting of shareholders held on June 24, 2011

Article 1 Elections of Tatung Company’s directors should be held and handled pursuant to “Election Procedures of Directors and Supervisors”, “The Articles of Incorporation ”of Tatung Company, and relevant regulations.

Article 2 The Election procedure of Tatung Company’s directors shall adopt the single cumulative voting system. The names of electors could be substituted with numbers of attendance. When electing Tatung Company’s directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected. 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.

Article 3 Upon the election, the chairperson shall appoint ballot monitor(s) and relevant staffs.

Article 4 In accordance with the quota of directors prescribed by “The Articles of Incorporation” of Tatung Company, candidates who receive ballots representing the prevailing number of voting rights at the election of voting rights at the election of directors shall be deemed as the directors elected. The election of Independent and non-independent directors shall be held at the same time but on separate ballots and be elected respectively. In case two or more candidates get ballots representing the same number of voting rights and the number of directors to be elected are in excess of the quota of directors, candidates getting votes representing the same number of voting rights shall use a lottery to determine who shall be elected. The chairman would draw the lottery on behalf of any absent candidates.

Article 5 The Company shall prepare ballots. Each ballot shall contain the votes that the voter is entitled to in the election. Provided that no ballots will be prepared separately for any exercise of the voting right in electronic form.

Article 6 All information shall be appropriately written by each shareholder as required by the provisions set forth in the ballots. Where a candidate is a shareholder, the voters shall remark in the box of candidate on the ballots the name of the candidate and the shareholder code. Where a candidate is not a shareholder, the voters shall on the ballots put the name and ID Card number of the candidate. Where a candidate is a government or judicial (corporate) person the shareholder, the box of candidate on the ballots shall be remarked with name of the government or judicial (corporate) person. Where a candidate is a representative of government or judicial (corporate) person, the names of both the government or judicial (corporate) person and the representative shall be written. In case there are several representatives, the names of all the representatives shall be written additionally and respectively.

Article 7 A ballot is deemed as null and void if any ballot is found:

1. Not the ballot provided in compliance with these Regulations.
2. The candidates specified in the ballot exceed the number of the candidates who shall be elected.
3. Bearing any words or symbols other than the account name (name) and shareholder account number (ID number) of the candidates.
4. Bearing illegible or revised handwriting.
5. Where the account name or shareholder code by handwriting is inconsistent with the Register (Roster) of Shareholders, if the candidate is a shareholder; where the name or ID Card number by handwriting is inconsistent with the facts upon checking, if the candidate is not a shareholder.
6. Where the name of the candidate entered is found the same as another shareholder's name and there is no shareholder code provided for identification.
7. Two or more candidates are written on the same ballot unless the ballot is intended for two or more candidates.

Article 8 Ballots shall be announced on-the-spot immediately upon completion of balloting. The results of ballot opening shall also be announced on the- spot by the chairperson or the emcee.

Article 9 Any matters insufficiently provided herein shall be governed by the provisions concerned as set forth in the Company Act and Articles of Incorporation.

Article 10 These Regulations, along with the amendment(s) thereof, shall come into effect after being resolved by the shareholders' meeting.