

Stock Code: 2478



TA-I TECHNOLOGY CO., LTD

Handbook for 2023 Annual Meeting of Shareholders
(Translation)

Date of the meeting : June 7, 2023

**Place of the meeting : No.4, Ln. 17,Sec. 3,Nanshan
Rd.,Luzhu Dist.,Taoyuan City,Taiwan(R.O.C.)**

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Meeting Agenda for the 2023 Annual Shareholders' Meeting of TA-I

Technology Co., Ltd

I. Time: 9:00 a.m. on June 7, 2023

II. No. 4, Ln. 17, Sec. 3, Nanshan Rd., Luzhu Dist., Taoyuan City

III. Method: Physical meeting

IV. Call the meeting to order.

V. Chairperson's speech.

VI. Report.

- (I) Report on the operations of the Company in 2022.
- (II) The Audit Committee's review report on the financial statements in 2022.
- (III) Report on the distribution of remuneration of employees and Directors in 2022.
- (IV) Report on the earning distribution in 2022.

VII. Ratification.

- (I) The 2022 financial statements of the Company are proposed for ratification.
- (II) The proposal for the earning distribution for 2022 is proposed for ratification.

VIII. Discussion.

- (I) The proposal for the amendment to the Articles of Incorporation is proposed for resolution.

IX. Election.

- (I) The election of Directors (including Independent Directors) is proposed for election.

X. Other proposals.

- (I) The cancelation of the restriction of non-competition on the Directors (including Independent Directors) of the Company is proposed for discussion.

XI. Extempore motion.

XII. Adjournment.

[Report]

I. Report on the Operations of the Company in 2022.

2022 Business Report

In 2022, the world slowly started to break away from the threat of COVID-19; however, the Russia-Ukraine War resulted in the imbalance of energy and food supply, inflation, interest rate increases, and other effects have imposed challenges on enterprises' sustainable operation and emergency management capacity. In 2022, standard passive component products were in the face of price drop pressure due to the sluggish end demand, resulting in operating income and profits that were different from the growing trends in the past two years. To achieve operating income profit growth, TA-I Technology will be fully committed to its product development and operating development with the joint efforts of its management team and all employees. The operating achievements of TA-I Technology in 2022, the current development summary, and future expectations and prospects are reported below.

Unit: NTD thousand

Item \ Year	2022	2021	Growth Rate (%)
Net operating income	5,022,594	6,314,953	-20.47%
Gross profit	1,146,655	1,794,619	-36.11%
Operating profit	559,066	1,178,102	-52.59%
Net income	740,309	1,170,848	-36.77%
Current period net profit	629,666	953,139	-33.94%

1. Budget execution:

The Company did not disclose its financial forecast in 2022; therefore, the disclosure of budget execution is not required.

2. Financial income and expenses and analysis of profitability

Item		Year	
		2022	2021
Profit and loss	Net operating income	5,022,594	6,314,953
	Gross profit	1,146,655	1,794,619
	Net income after tax	629,666	953,139
Profitability	Return on assets (%)	6.71	10.08
	Return on equity(%)	9.66	15.48
	Ratio of operating profit to paid-up capital (%)	38.63	81.40
	Ratio of income before tax to paid-up capital (%)	51.15	80.89
	Profit margin (%)	12.54	15.09

3. Status of R&D

Unfavorable environments generated by climate change and global warming resulted in changes in the earth's ecology, making it easy for parts of equipment exposed to environments with high temperature, high humidity, and high pollution to have vulcanization. In response to customers' requirements, together with mass production technologies and capacity accumulated over the years, TA-I Technology launched anti-sulfur resistors and current sensor resistors that have passed the certification of IECQ AQP and have been adopted and recognized by the market.

For materials, we optimize product quality and develop equipment that can be used in environments with high pollution, including autonomous cars, industrial control systems, sensors, automotive instrument board equipment, and communication base stations. TA-I Technology thoroughly utilized thin film (photolithography procedures) and thick film procedures, two major procedures of modern passive components, and even mixed the two procedures to achieve maximum efficiency and product performance.

To exert the effects of circuit protection, premium protection components are required as the foundation. From thick film resistors to thin film resistors, TA-I Technology has developed a series of protection components, including current, voltage, and temperature protection components, and ESD protection components, and participated in R&D plans of large-scale international companies to jointly develop new products for provision of comprehensive customer services.

II. 2023 Business Policies and Future Development Strategies of the Company:

(1) Develop small-sized, niche-based, special items of high quality for our products:

Develop high precision micro resistors with a high level of reliabilities and concurrently develop new end product application fields by adopting improving corporate operating performance as the major objective.

- (2) Focus on product structure optimization and new field (5G, vehicle specification, IoT, industry, and medication) applications:

There are constantly new end applications, including automotive, 3D sensors, AI, IoT, high-speed calculation, and other future commercial products. In particular, application services for 5G, including intelligent connected vehicles (ICV), medication, education, evacuation services, smart home/household safety, and others, have become the core of future social development and industrial competitions in developed countries; therefore, in the future, we will focus on high precision micro passive components and new end product parts and components and plan for arrangements in material overseas regional markets in the hope of maximizing the Company's profits.

- (3) Provide real-time feedback services, satisfy requirements of major customers, and expand overseas joints:

With the precondition to satisfy customers' demand and equal consideration given to the contracting capacity of large orders and customers' special requirements of small volume with diversification, optimize the niche-based product sales portfolio of passive and protection components, focus on the relationships with existing customers, and concurrently explore the overseas market to reinforce our competitive strength. At present, we have established a joint in Vietnam to provide local services to customers.

- (4) Sustainable corporate development:

While seeking profits, TA-I Technology planned for the performance of GHG inventory and certification to pursue sustainable corporate development and obtained the ISO-14064-1 certification in 2022.

Looking forward, TA-I Technology will continue to make efforts to improve the future competitiveness of the Company and fully exert its existing core expertise. We hope that our shareholders will continue to provide their support and encouragement and join hands with us to grow together in the future. Lastly, we would like to extend our deepest appreciation to all our customers, suppliers, shareholders and employees.

Chairman: Chiang Tsai-Pao
Manage: Chiang Tsai-Pao
Chief Accountant: Lai Jin-Xian

II. The Audit Committee's Review Report on the Final Statements in 2022

TA-I Technology Co., Ltd.

Audit Committee's Review Report

The Board has prepared the 2022 individual financial statements and consolidated financial statements, business report, and proposal for earning distribution of the Company, in which Diwan & Company has audited the individual financial statements and consolidated financial statements and issued an auditor's report. Based on our audit, we consider that the individual financial statements and consolidated financial statements, business report, and table of earning distribution above are compliant; therefore, we issue the review report according to the requirements under the Securities and Exchange Act, the Company Act, and other relevant laws and regulations.

2023 Annual Shareholders' Meeting of TA-I Technology Co., Ltd

Convener of the Audit Committee:

Chen Yong-Tai

April 26, 2023

III. Report on the Distribution of Remuneration of Employees and Directors in 2022.

Explanation:

- I. The Company intends to distribute a remuneration of employees of NT\$53,100,000 and remuneration of Directors of NT\$13,275,000 for 2022 in cash according to the requirements of the Articles of Incorporation.
- II. The abovementioned amount resolved has no difference from the amount recognized as expenses in 2022.

IV. Report on the Earning Distribution in 2022.

Explanation:

- I. On April 26, 2023, the Board approved to distribute cash dividends in the amount of NT\$2 per share, totaling NT\$289,462,278 per share, as a resolution, and the Board is authorized to establish the ex-dividend date and make arrangements for matters related to the distribution of cash dividends.
- II. For the dividend distribution, if the payout rate changes due to the effects on the number of outstanding shares resulting from the repurchase of the Company's shares, transfer or cancelation of treasury shares, conversion of convertible corporate bonds into ordinary shares or conversion of employee stock options into ordinary shares subsequently, the Board shall adjust the payout ratio based on the distribution amount of the proposal and the actual number of outstanding shares.

[Ratification]

Proposal 1: (by the Board)

Subject: The 2022 financial statements of the Company are proposed for ratification.

Description: I. The 2022 financial statements of the Company were audited and certified by CPAs Tina Tseng and Jimmy Chang of Diwan & Company. Auditor's report (for details, please refer to Attachment 1).
II. The 2022 business report and financial statements (for details, please refer to Attachment 2) have been reviewed by the Audit Committee and approved as a resolution by the Board.
III. Proposed for ratification.

Resolution:

Proposal 2: (by the Board)

Subject: The proposal for the earning distribution for 2022 is proposed for ratification.

Description: I. The net profit after tax of the Company in 2022 was NT\$623,462,861; after deducting the remeasurement of the defined benefit plan of NT\$1,480,869, appropriating a legal reserve of NT\$62,198,199 according to the law, plus the undistributed earnings at the beginning of the period of NT\$2,016,376,112, and reversing a special reserve of NT\$52,930,156 according to the law, the total distributable earnings at the end of 2022 was NT\$2,629,090,061. The Company intends to distribute shareholders' bonuses of NT\$289,462,278 (i.e., a distribution of cash dividends in the amount of NT\$2 per share).
II. As resolved by the Board, the Board is authorized to set the ex-dividend date and arrange other relevant matters.
III. For the dividend distribution, if the payout rate changes due to the effects on the number of outstanding shares resulting from the repurchase of the Company's shares, transfer or cancelation of treasury shares, conversion of convertible corporate bonds into ordinary shares or conversion of employee stock options into ordinary shares subsequently, the Board shall adjust the payout ratio based on the distribution amount of the proposal and the actual number of outstanding shares.
IV. The 2022 Table of Earning Distribution (for details, please refer to Attachment 3 of the Handbook) is enclosed for resolution.

Resolution:

[Discussion]

Proposal 1: (by the Board)

Subject: The proposal for the amendment to the Articles of Incorporation is proposed for resolution.

Description: In response to the requirements of laws and regulations, the Company intends to amend partial Articles of the Articles of Incorporation; the comparison table of Articles before and after the amendment is as follows:

Article	Amended Article	Initial Article	Explanation
Article 7	<p>Shares of the Company are registered, signed or affixed with seals and numbered by <u>directors representing the Company</u> and issued after being certified by the competent authority or an issuance registration institution it approved according to the law.</p> <p>The Company may also deliver its shares through book entry without printing physical share certificates; the same shall apply to the issuance of other securities.</p> <p>Shares issued by the Company are exempted from printing share certificates; however, the Company shall register them with a centralized securities depository enterprise; the requirements in the above two Paragraphs are not applicable.</p>	<p>Shares of the Company are registered, signed or affixed with seals and numbered by three Directors or above and issued after being certified by the competent authority or an issuance registration institution it approved according to the law.</p> <p>The Company may also deliver its shares through book entry without printing physical share certificates; the same shall apply to the issuance of other securities.</p> <p>Shares issued by the Company are exempted from printing share certificates; however, the Company shall register them with a centralized securities depository enterprise; the requirements in the above two Paragraphs are not applicable.</p>	Amended Paragraph 1 of the Article according to the requirements under Article 162 of the Company Act to align with current laws and regulations, and practices.
Article 20-2	<p>The Board is authorized to distribute cash dividends and bonuses according to the resolution made by receiving the consent of over half of the attending Directors at a Board meeting attended by over two-thirds of the Directors and report to the shareholders' meeting; the requirements related to the resolution of the shareholders' meeting in the Articles shall not apply.</p> <p><u>The Company may make distributions from legal reserve and capital reserve according to requirements of laws and regulations; for distributions in new shares, it shall propose to the shareholders' meeting for the resolution of distribution; for distributions in cash, a resolution shall be made by receiving the consent of over half of the attending Directors at a Board meeting attended by over two-thirds of the Directors, and shall be reported to the shareholders' meeting.</u></p>	<p>The Board is authorized to distribute cash dividends and bonuses according to the resolution made by receiving the consent of over half of the attending Directors at a Board meeting attended by over two-thirds of the Directors and report to the shareholders' meeting; the requirements related to the resolution of the shareholders' meeting in the Articles shall not apply.</p>	Amended according to Article 240 and Article 241 of the Company Act.
Article 22	<p>The Articles were established on November 20, 1989. The first amendment was made on May 26, 1993. (Omitted)</p> <p><u>The twenty-ninth amendment was made on June 7, 2023.</u></p>	<p>The Articles were established on November 20, 1989. The first amendment was made on May 26, 1993. (Omitted)</p> <p>The twenty-eighth amendment was made on June 9, 2022.</p>	Added the number of amendments and date of amendment.

Resolution:

[Election]

Proposal 1: (by the Board)

Subject: The election of Directors (including Independent Directors) is proposed for election.

Description: I. According to the requirements under Article 13 of the Articles of Incorporation, ten Directors (including four Independent Directors) shall be elected for the session; the candidate nomination system is adopted, and the Directors shall be elected from the list of Director candidates.

II. The Company has established its Audit Committee, which is comprised of all Independent Directors.

III. The Directors (including Independent Directors) elected will assume office immediately after the annual shareholders' meeting with a term of three years, from June 7, 2023 to June 6, 2026.

IV. The list of Director (including Independent Directors) candidates and relevant data (for details, please refer to page 50 of the Handbook).

Resolution:

[Other Proposals]

Proposal 1: (by the Board)

Subject: The cancelation of the restriction of non-competition on the Directors (including Independent Directors) of the Company is proposed for discussion.

Description: I. Regarding the Directors (including Independent Directors) elected at the shareholders' meeting to assist the successful operation expansion and the operation of investees, with the precondition of having no harm to the benefits of the Company, if there is any non-competition behavior of Directors as set out in Article 209 of the Company Act, the Company intends to request the shareholders' meeting to grant its consent for the cancelation of restrictions of non-competition on Directors (including Independent Directors).

II. Concurrent positions of Directors in other companies are as follows:

No.	Title in the Company	Name	Position in Other Companies
1	Chairman	Chiang Tsai-Pao	Director, TAI Electronic Co., Ltd. Director, TAI OHM Electronics (M) Sdn. Bhd. Director, Hong Kong TAI Electronic Co., Ltd. Director, Dongguan TAI Electronic Co., Ltd. Director, Indonesia TAI Electronic Co., Ltd. Director, Xiangtai Enterprise Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd. Chairman, Dongguan Changping Sima Xiangtai Resistor Co., Ltd. Chairman, JHAN SIN Sensor Co., Ltd. (JHAN SIN)
2	Directors	Wang Chin-Jung	Director, TAI Electronic Co., Ltd. Director, TAI OHM Electronics (M) Sdn. Bhd. Director, Hong Kong TAI Electronic Co., Ltd. Director, Dongguan TAI Electronic Co., Ltd. Director, Indonesia TAI Electronic Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd. Director, Dongguan Changping Sima Xiangtai Resistor Co., Ltd.
3	Directors	Liu Li-Wen	Director, TAI Electronic Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd.
4	Directors	Lin Chiu-Sung	Director, Xiangtai Enterprise Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd.

No.	Title in the Company	Name	Position in Other Companies
			Director, Dongguan Changping Sima Xiangtai Resistor Co., Ltd.
5	Directors	Lin Tai-Shan	Director, TAI Electronic Co., Ltd. Director, TAI OHM Electronics (M) Sdn. Bhd. Director, Hong Kong TAI Electronic Co., Ltd. Director, Dongguan TAI Electronic Co., Ltd. Director, Indonesia TAI Electronic Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd. Supervisor, Dongguan Changping Sima Xiangtai Resistor Co., Ltd.
6	Directors	Yang Pei-Chieh	CEO, Guiguang Accounting Office
7	Independent director	Chen Yong-Tai	Chairman, J'code Chairman, Long Wall, Gold&Silver Jewellery Co., Ltd.
8	Independent director	Tseng Chen-Hui	Director, Department of Gastroenterology Medical Imaging, Cheng Gung Memorial Hospital, Linkou
9	Independent director	Wu Ping-Tse	Chairman, J.S.I. Co., Ltd.
10	Independent director	Chang Hsien-Ming	Chairman, Jhieh Hong Technology Co., Ltd. Chairman, Long Trump Corporation

Resolution:

Independent Auditor's Report

To Shareholders and the Board of Directors of TA-I Technology Co., Ltd.,

Audit Opinions

We have audited the consolidated balances sheet as of December 31, 2022, and December 31, 2021, and the parent company only statement of comprehensive income, parent company only statement of changes in equity, parent company only statement of cash flow, and notes to the parent company only financial statement (including the summary of significant accounting policies) for the years then ended of TA-I Technology Co., Ltd.

In our opinion, the abovementioned parent company only financial statements present fairly, in all material respects, the parent company only financial position of Ta-I Technology Co., Ltd. as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only 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 auditing standards. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the parent company only financial statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the TA-I Technology Co., Ltd. in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of TA-I Technology Co., Ltd. for the year 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the following matters are key audit matters:

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I. Income recognition

For the accounting policy of income recognition, please refer to Note 4.16 of the parent company only financial statement; for the breakdown of operating income, please refer to Note 6.25 of the parent company only financial statements.

The operating income of TA-I Technology Co., Ltd. is primarily from the production and sales of resistors, and the timing of income recognition is recognized based on the individual transaction conditions with the individual counterparties. As inappropriate timing of income recognition, failure in the reasonable estimation of sales return, and refund of discounts are material matters to income recognition and have effects on TA-I Technology Co., Ltd.'s financial performance, we have included income recognition as one of the most material matters to the audit of the parent company only financial statement of TA-I Technology Co., Ltd.

Relevant audit procedures performed by us include understanding the sales procedures of TA-I Technology Co., Ltd., testing internal control related to income recognition, examining the transaction conditions with material sales customers, executing income cut-off testing, verifying whether sales returns and discounts are appropriately accounted for, and verifying whether measurement and analytical procedures have been performed for the estimate of sales return and discount refund.

II. Inventory valuation

For the accounting policy of inventory valuation, please refer to Note 4.9 of the parent company only financial statement; for significant accounting assumptions and judgment, and major sources of estimation uncertainty, please refer to Note 5.2(2) of the parent company only financial statement; for the breakdown of inventories, please refer to Note 6.5 of the parent company only financial statement.

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As of December 31, 2022, the carrying amount of TA-I Technology Co., Ltd.'s inventory was NT\$1,224,791 thousand, accounting for 13% of the total individual assets. TA-I Technology Co., Ltd. primarily engages in the manufacture and sales of resistors, and its production and sales policies are indirectly affected by the changes in the demand of end consumers. When there are damages, entire or partial obsolescence occurs to inventories or the selling price drops, the cost of such inventories may not be recovered. When the estimated cost of completion and the estimated cost required for sales increase, the cost of inventories may also not be recovered. The use and value of inventories are primarily based on the inventory management policy of the management and its estimation of the future sales of the products; however, there are uncertainties for such estimations; therefore, we include inventory valuation as one of the most material matters to the audit of the parent company only financial statement of TA-I Technology Co., Ltd.

The material deciding factor of inventory value is primarily the estimated value of the net realizable value, based on the most reliable evidence of the estimated realizable amount available at the time of estimation. For the matter, relevant audit procedures performed by us include examining and assessing whether the policy adopted by TA-I Technology Co., Ltd. to determine the net realizable value of inventories may reasonably reflect the estimated sales of inventories in the future, historical experiences and other particular circumstances, analyzing and testing the inventory age of inventories to identify whether allowances for inventory write-down has been reasonably provided for particular idle inventories based on historical experiences, and evaluating the level of impacts of events after the period on the verified scope of the circumstances at the end of the period, and the fluctuation of prices or costs that are directly related to the events after the period on the estimated net realizable value of inventories.

Responsibilities of the Management and Those Charged with Governance for the Parent Company Only Financial Statement

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

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In preparing the parent company only financial statement, the responsibilities of the management include assessing TA-I Technology Co., Ltd.'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 TA-I Technology Co., Ltd. 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 TA-I Technology Co., Ltd.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statement

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed according to the auditing standards cannot guarantee the discovery of material misstatements in the parent company only financial statement. Misstatements can arise from fraud or error. Misstatements 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 the parent company only financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We also:

- I. Identify and assess the risk of material misstatement of the parent company only financial statement due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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.
- II. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of TA-I Technology Co., Ltd.

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- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
- IV. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of TA-I Technology Co., Ltd. have significant uncertainty, and provide a conclusion thereto. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the parent company only financial statements are required to be provided in our audit report to allow users of parent company only financial statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause TA-I Technology Co., Ltd. to have no ability for continuous operation.
- V. Evaluate the overall presentation, structure and content of the parent company only financial statement (including relevant notes) and whether the parent company only financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of TA-I Technology Co., Ltd. and provide opinions on the parent company only financial statement. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the opinion for the Company.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of TA-I Technology Co., Ltd.'s 2022 parent company only financial statement and are. Therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Diwan & Company

Financial Supervisory Commission Approval Document No.:

Jin-Guan-Zheng-Shen-Zi No. 1070312218

Jin-Guan-Zheng-Shen-Zi No. 1100149341

Chiung-Hui, Tseng

Certified Public Accountant:

I-Ming, Chang

March 15, 2023

Independent Auditor's Report

To Shareholders and the Board of Directors of TA-I Technology Co., Ltd.,

Audit Opinions

We have audited the consolidated balances sheet as of December 31, 2022, and December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow, and notes to consolidated financial statements (including the summary of significant accounting policies) for the years then ended of TA-I Technology Co., Ltd. and its subsidiaries (the "Ta-I Group").

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

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing" and auditing standards. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the TA-I Group in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the TA-I Group for the year 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the following matters are key audit matters:

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I. Income recognition

For the accounting policy of income recognition, please refer to Note 4.17 of the consolidated financial statements; for the breakdown of operating income, please refer to Note 6.25 of the consolidated financial statements.

The operating income of TA-I Group is primarily from the production and sales of resistors, and the timing of income recognition is recognized based on the individual transaction conditions with the individual counterparties. As inappropriate timing of income recognition, failure in the reasonable estimation of sales return, and refund of discounts are material matters to income recognition and have effects on TA-I Group's financial performance, we have included income recognition as one of the most material matters to the audit of the consolidated financial statements of TA-I Group.

Relevant audit procedures performed by us include understanding the sales procedures of TA-I Group, testing internal control related to income recognition, examining the transaction conditions with material sales customers, executing income cut-off testing, verifying whether sales returns and discounts are appropriately accounted for, and verifying whether measurement and analytical procedures have been performed for the estimate of sales return and discount refund.

II. Inventory valuation

For the accounting policy of inventory valuation, please refer to Note 4.11 of the consolidated financial statements; for significant accounting assumptions and judgment, and major sources of estimation uncertainty, please refer to Note 5.2(3) of the consolidated financial statements; for the breakdown of inventories, please refer to Note 6.6 of the consolidated financial statements.

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As of December 31, 2022, the carrying amount of TA-I Group's inventory was NT\$2,138,878 thousand, accounting for 24% of the total consolidated assets. TA-I Group primarily engages in the manufacture and sales of resistors, and its production and sales policies are indirectly affected by the changes in the demand of end consumers. When there are damages, entire or partial obsolescence occurs to inventories or the selling price drops, the cost of such inventories may not be recovered. When the estimated cost of completion and the estimated cost required for sales increase, the cost of inventories may also not be recovered. The use and value of inventories are primarily based on the inventory management policy of the management and its estimation of the future sales of the products; however, there are uncertainties for such estimations; therefore, we include inventory valuation as one of the most material matters to the audit of the consolidated financial statements of TA-I Group.

The material deciding factor of inventory value is primarily the estimated value of the net realizable value, based on the most reliable evidence of the estimated realizable amount available at the time of estimation. For the matter, relevant audit procedures performed by us include examining and assessing whether the policy adopted by TA-I Group to determine the net realizable value of inventories may reasonably reflect the estimated sales of inventories in the future, historical experiences and other particular circumstances, analyzing and testing the inventory age of inventories to identify whether allowances for inventory write-down has been reasonably provided for particular idle inventories based on historical experiences, and evaluating the level of impacts of events after the period on the verified scope of the circumstances at the end of the period, and the fluctuation of prices or costs that are directly related to the events after the period on the estimated net realizable value of inventories.

Other Matters

TA-I Technology Co., Ltd. has prepared the parent company only financial statements for 2022 and 2021, to which we have also issued an independent auditor's report with an unqualified opinion along with the section on other matters and provided for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C., and for necessary internal control as management determines it 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, the responsibilities of the management include assessing TA-I 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 TA-I 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 TA-I Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed according to the auditing standards cannot guarantee the discovery of material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the consolidated financial statements.

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As part of an audit in accordance with the auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We also:

- I. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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.
- II. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of TA-I Group.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
- IV. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of TA-I Group have significant uncertainty, and provide a conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause TA-I Group to have no ability for continuous operation.
- V. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes) and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of TA-I Group and provide opinions on the consolidated financial statements. We handle the guidance, supervision, and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

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

Diwan & Company

Financial Supervisory Commission Approval Document No.:

Jin-Guan-Zheng-Shen-Zi No. 1070312218

Jin-Guan-Zheng-Shen-Zi No. 1100149341

Chiung-Hui, Tseng

Certified Public Accountant:

I-Ming, Chang

March 15, 2023

TA-I Technology Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2022 and 2021
(in NT\$ thousand)

Asset		Note	2022.12.31		2021.12.31	
Code	Accounting items		Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	IV and VI.1	\$ 945,465	10	\$ 973,155	10
1110	Financial assets at FVTPL - Current	IV and VI.2	1,018	-	1,360	-
1150	Net notes receivable	IV, V, VI.3, and VI.4	207	-	614	-
1170	Net accounts receivable	IV, V, and VI.4	289,703	3	519,526	5
1180	Net accounts receivable - Related parties	IV, V, and VII	704,016	8	993,774	10
1200	Other receivables	IV, V, and VI.9	16,317	-	44,681	1
1210	Other receivables - Related parties	IV, V, VI.9 and VII	677	-	12,862	-
1220	Income tax assets for the period	IV and VI.30	-	-	22,842	-
130x	Inventories	IV, V, and VI.5	1,224,791	13	1,345,117	13
1410	Prepayments		75,383	1	93,016	1
1476	Other financial assets - Current	IV, VI.6, and VIII	10,000	-	10,000	-
1479	Other current assets		-	-	2,433	-
	Total current assets		<u>3,267,577</u>	<u>35</u>	<u>4,019,380</u>	<u>40</u>
15xx	Non-current assets					
1517	Financial assets at FVOCI - Non-current					
		IV and VI.7	-	-	-	-
1550	Investment accounted for using the equity method	IV, VI.8, VI.12, and VII	3,023,137	32	2,756,284	28
1600	Property, plant and equipment	IV, VI.9, VI.29, VII, VIII, and IX	3,022,737	32	3,095,242	31
1755	Right-of-use assets	IV, VI.10, and VI.15	3,772	-	5,088	-
1780	Intangible assets	IV and VI.11	2,546	-	6,294	-
1840	Deferred income tax assets	IV, V, and VI.30	40,174	-	39,153	-
1915	Prepayments for business facilities		27,587	-	27,248	-
1920	Refundable deposits		10,476	-	12,440	-
1960	Prepaid investment amounts	VI.8, VI.12, and IX	47,463	1	40,914	1
1975	Net-defined benefit assets - Non-current	IV, V, and VI.16	7,321	-	8,281	-
1990	Other non-current assets	IV and V	1,919	-	3,129	-
	Total non-current assets		<u>6,187,132</u>	<u>65</u>	<u>5,994,073</u>	<u>60</u>
1xxx	Total assets		<u>\$ 9,454,709</u>	<u>100</u>	<u>\$ 10,013,453</u>	<u>100</u>

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao, Chiang

Manager: Tsai-Pao, Chiang

Chief accountant: Chin-Hsien, Lai

TA-I Technology Co., Ltd.
Parent Company Only Balance Sheet (Cont'd)
December 31, 2022 and 2021
(in NT\$ thousand)

Liabilities and Equity		Note	2022.12.31		2021.12.31	
Code	Accounting items		Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	IV, VI.13, and VI.32	\$ 400,000	4	\$ 501,200	5
2170	Accounts payable	IV	307,835	3	801,569	8
2200	Other payables	IV, VI .9, and VI.26	513,524	6	885,861	9
2220	Other payables - Related parties	IV, VI.9, and VII	642,920	7	396,972	4
2230	Current tax liabilities	IV and VI .30	111,662	1	195,030	2
2280	Lease liabilities-Current	IV, VI.15, and VI.32	1,398	-	3,211	-
2322	Long-term borrowings due within one year	IV, IV.14, VI.32, and VIII	220,879	2	25,000	-
2399	Other current liabilities		11,039	-	6,620	-
	Total current liabilities		<u>2,209,257</u>	<u>23</u>	<u>2,815,463</u>	<u>28</u>
25xx	Non-current liabilities					
2540	Long-term borrowings	IV, IV.14, VI.32, and VIII	751,791	8	847,670	9
2570	Deferred income tax liabilities	IV and VI .30	-	-	2,842	-
2580	Lease liabilities-Non-current	IV, VI.15, and VI.32	1,286	-	598	-
	Total non-current liabilities		<u>753,077</u>	<u>8</u>	<u>851,110</u>	<u>9</u>
2xxx	Total Liabilities		<u>2,962,334</u>	<u>31</u>	<u>3,666,573</u>	<u>37</u>
31xx	Equity					
3100	Share capital					
3110	Common share capital	IV, VI.17, and VI.23	1,447,313	15	1,447,376	14
3200	Capital surplus	IV, VI.18, VI.21, and VI.23	1,525,472	16	1,656,961	17
3300	Retained earnings					
3310	Legal reserve	VI.19 and VI.21	828,302	9	735,642	7
3320	Special reserve	VI.20 and VI.21	410,437	4	409,368	4
3350	Undistributed earnings	IV, VI.7, and VI.21	2,638,358	28	2,544,298	25
3400	Other equities					
3410	Exchange differences on translation of the finan	IV, VI.8, and VI.22	(242,007)	(2)	(294,937)	(3)
3420	Unrealized valuation losses from financial assets at FVOCI	IV, VI.7, and VI.22	(115,500)	(1)	(115,500)	(1)
3491	Unearned remuneration of employees	IV, VI.22, and VI.23	-	-	(1,841)	-
3500	Treasury stocks	IV, VI .23and VI.24	-	-	(34,487)	-
3xxx	Total equity		<u>6,492,375</u>	<u>69</u>	<u>6,346,880</u>	<u>63</u>
	Total liabilities and equities		<u>\$ 9,454,709</u>	<u>100</u>	<u>\$ 10,013,453</u>	<u>100</u>

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao, Chiang

Manager: Tsai-Pao, Chiang

Chief accountant: Chin-Hsien, Lai

TA-I Technology Co., Ltd.
Parent Company Only Statements of Comprehensive Income
As of December 31, 2022
and 2021
(in NT\$ thousand, apart from earnings per share)

Code	Accounting items	Note	2022		2021	
			Amount	%	Amount	%
4000	Net operating income	IV, VI.25, and VII	\$ 4,220,131	100	\$ 5,662,581	100
5000	Operating costs	IV, VI.5, VI.15, VI.16, VI.26, and VII	(3,446,611)	(82)	(4,295,468)	(76)
5900	Gross profit		773,520	18	1,367,113	24
5910	Unrealized gains from sales	IV and VI .8	(88,381)	(2)	(145,482)	(3)
5920	Realized gains from sales	IV and VI .8	145,482	3	227,251	4
5950	Net profit		830,621	19	1,448,882	25
6000	Operating expenses	IV, VI.15, VI.16, VI.22, VI.23,				
6100	Selling expenses	VI.26 and VII	(79,395)	(2)	(75,573)	(1)
6200	Administrative expenses		(264,274)	(6)	(301,589)	(5)
6300	Research and development expenses		(55,165)	(1)	(46,908)	(1)
	Total operating expenses		(398,834)	(9)	(424,070)	(7)
6900	Operating profit		431,787	10	1,024,812	18
7000	Non-operating income and expense					
7100	Interest revenue	VI.27	4,807	-	1,754	-
7010	Other income	VI.27 and VII	22,721	-	22,451	-
7020	Other gains or losses	IV, VI.27, and VII	1,117	-	1,382	-
7050	Financial costs	IV, VI .9and VI.27	(11,684)	-	(10,901)	-
7070	Share of gains from subsidiaries recognized by usi	IV, VI.8, and VI.27	164,027	4	107,061	2
7270	Gain on reversal of impairment	IV, VI.9, VI.27, and VI.29	1,352	-	4,843	-
7230	Net gains from currency exchange	IV and VI .27	108,430	3	-	-
7630	Net losses from currency exchange	IV and VI .27	-	-	(26,972)	-
	Total non-operating incomes and expenses		290,770	7	99,618	2
7900	Net income		722,557	17	1,124,430	20
7950	Income tax expense	IV and VI .30	(99,094)	(2)	(181,480)	(3)
8200	Current period net profit		623,463	15	942,950	17
8300	Other comprehensive income	IV, VI.8, VI.16, VI.28, and VI.30				
8310	Items not reclassified subsequently to profit or loss:					
8311	Remeasurement of defined benefit programs		(1,851)	-	(235)	-
8349	Income taxes related to items that are not reclassified		371	-	47	-
	Total items that are not reclassified subsequently to profit or loss		(1,480)	-	(188)	-
8360	Items that may be reclassified subsequently to profit or loss:					
8381	Share of other comprehensive income of subsidiaries recognized by using the equity meth statements of foreign operations		52,930	1	(17,231)	(1)
8399	Income taxes related to items that may be reclassified		-	-	-	-
	Total items that may be reclassified subsequently to profit or loss		52,930	1	(17,231)	(1)
	Other comprehensive income of the current year (net amount after-tax)		51,450	1	(17,419)	(1)
8500	Total comprehensive income in the current period		\$ 674,913	16	\$ 925,531	16
	Earnings per share (NT\$)					
9750	Basic earnings per share (after tax)	IV and VI .31	\$ 4.31		\$ 6.60	
9850	Diluted earnings per share (after tax)	IV and VI .31	\$ 4.27		\$ 6.52	

(Please refer to the notes to parent company only financial statement)

TA-I Technology Co., Ltd.
Parent Company Only Statement of Changes in Equity
As of December 31, 2022
and 2021
(in NT\$ thousand)

Item	Share capital	Capital surplus	Retained earnings			Other items of equity			Treasury stocks	Total
			Legal reserve	Special reserve	Undistributed earnings	Exchange differences Exchange differences from	Unrealized valuation losses from financial assets at FVOCI	Unearned remuneration of employees		
Balance on January 1, 2021	\$ 1,447,423	\$ 1,624,529	\$ 669,488	\$ 455,239	\$ 2,067,388	\$ (277,706)	\$ (131,662)	\$ (17,402)	\$ (54,007)	\$ 5,783,290
The 2020 earning appropriation and allocation: (Note 6.21)										
Provision of legal reserve	-	-	66,154	-	(66,154)	-	-	-	-	-
Reversal of special reserve	-	-	-	(45,871)	45,871	-	-	-	-	-
Shareholders' cash dividends	-	-	-	-	(429,407)	-	-	-	-	(429,407)
Net profit in 2021	-	-	-	-	942,950	-	-	-	-	942,950
Other comprehensive income in 2021	-	-	-	-	(188)	(17,231)	-	-	-	(17,419)
Total comprehensive income in 2021	-	-	-	-	942,762	(17,231)	-	-	-	925,531
Transfer of treasury shares to employees	-	32,720	-	-	-	-	-	-	19,520	52,240
Equity instruments measured at FVOCI	-	-	-	-	(16,162)	-	16,162	-	-	-
Restricted stock award	(47)	(288)	-	-	-	-	-	15,561	-	15,226
Balance on December 31, 2021	1,447,376	1,656,961	735,642	409,368	2,544,298	(294,937)	(115,500)	(1,841)	(34,487)	6,346,880
The 2021 earning appropriation and allocation: (Note 6.21)										
Provision of legal reserve	-	-	92,660	-	(92,660)	-	-	-	-	-
Provision of special reserve	-	-	-	1,069	(1,069)	-	-	-	-	-
Shareholders' cash dividends	-	-	-	-	(434,194)	-	-	-	-	(434,194)
Distribution of cash dividends from capital reserve	-	(144,731)	-	-	-	-	-	-	-	(144,731)
Net profit in 2022	-	-	-	-	623,463	-	-	-	-	623,463
Other comprehensive income in 2022	-	-	-	-	(1,480)	52,930	-	-	-	51,450
Total comprehensive income in 2022	-	-	-	-	621,983	52,930	-	-	-	674,913
Transfer of treasury shares to employees	-	13,633	-	-	-	-	-	-	34,487	48,120
Restricted stock award	(63)	(391)	-	-	-	-	-	1,841	-	1,387
Balance on December 31, 2022	\$ 1,447,313	\$ 1,525,472	\$ 828,302	\$ 410,437	\$ 2,638,358	\$ (242,007)	\$ (115,500)	\$ -	\$ -	\$ 6,492,375

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao, Chiang

Manager: Tsai-Pao, Chiang

Chief accountant: Chin-Hsien, Lai

TA-I Technology Co., Ltd.
Parent Company Only Statements of Cash Flow
As of December 31, 2022
and 2021
(in NT\$ thousand)

Item	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 722,557	\$ 1,124,430
Items of adjustment:		
Income/expenses items		
Depreciation expense	436,562	433,153
Amortizations	5,921	5,184
Net gains from disposal of property, plant and equipment	(1,453)	(1,492)
Net losses from financial assets at FVTPL	336	110
Share of gains from subsidiaries recognized by using the equity method	(164,027)	(107,061)
Interest expenses	11,684	10,901
Interest revenue	(4,807)	(1,754)
Dividend income	(29)	(29)
Cost of remuneration recognized for restricted stock award	1,387	15,226
Cost of remuneration recognized for transfer of treasury shares	28,551	32,720
Gains from the reversal of impairment of non-financial assets	(1,352)	(4,843)
Unrealized gains from sales	88,381	145,482
Realized gains from sales	(145,482)	(227,251)
Unrealized exchange losses (gains)	3,367	(14,212)
Changes in assets/liabilities related to operating activities		
Financial assets mandatorily measured at FVTPL	6	-
Notes receivable	407	(237)
Accounts receivable	226,966	(243,444)
Accounts receivable - Related parties	283,434	(185,101)
Other receivables	29,059	(16,841)
Other receivables - Related parties	(3,234)	(48,673)
Inventories	120,326	(489,365)
Prepayments	17,633	(32,019)
Other current assets	2,433	(2,433)
Net-defined benefit assets	(891)	(4,091)
Accounts payable	(490,033)	291,450
Other payables	(280,884)	162,952
Other payables - Related parties	252,045	116,357
Other current liabilities	4,419	1,347
Cash flow from operating activities	1,143,282	960,466
Interest received	4,807	1,754
Dividends received	29	29
Interest paid	(11,378)	(10,877)
Income tax paid	(163,112)	(91,249)
Net cash inflow from operating activities	973,628	860,123

(Cont'd)

TA-I Technology Co., Ltd.
Parent Company Only Statements of Cash Flow (Cont'd)
As of December 31, 2022
and 2021
(in NT\$ thousand)

(Cont'd)

Item	2022	2021
Cash flows from investing activities:		
Acquisition of property, plant and equipment	\$ (434,607)	\$ (638,353)
Disposal of property, plant and equipment	15,406	89,935
Acquisition of intangible assets	(436)	(2,607)
Increase in prepaid equipment amount	(17,268)	(48,306)
Decrease in refundable deposits	1,964	843
Increase in prepaid investment amounts	(6,549)	(40,914)
Increase in other non-current assets	(527)	(1,407)
Dividends received	8,227	197,935
Net cash outflow from investment activities	<u>(433,790)</u>	<u>(442,874)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	2,903,600	4,202,400
Decrease in short-term borrowings	(3,004,800)	(4,701,200)
Proceeds from long-term borrowings	500,000	550,000
Repayments of long-term borrowings	(400,000)	(300,000)
Repayment of principal and leases	(3,403)	(3,708)
Cash dividends paid	(578,925)	(429,407)
Acquisition of treasury shares by employees	19,569	19,520
Net cash outflows from financing activities	<u>(563,959)</u>	<u>(662,395)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(3,569)</u>	<u>(33,819)</u>
Decrease in cash and equivalents during the period	(27,690)	(278,965)
Cash and cash equivalents at the beginning of the period	973,155	1,252,120
Cash and cash equivalents at the end of the period	<u>\$ 945,465</u>	<u>\$ 973,155</u>

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao, Chiang

Manager: Tsai-Pao, Chiang

Chief accountant: Chin-Hsien, Lai

TA-I Technology Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

(in NT\$ thousand)

Asset		Note	2022.12.31		2021.12.31	
Code	Accounting items		Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	IV and VI.1	\$ 1,570,200	17	\$ 1,746,426	18
1110	Financial assets at FVTPL - Current					
		IV and VI.2	43,098	1	43,064	1
1136	Financial assets at amortized cost - Current	IV and VI.3	92,718	1	39,066	-
1150	Net notes receivable	IV, V, VI.4, and VI.5	7,505	-	16,272	-
1170	Net accounts receivable	IV, V, and VI.5	1,214,614	13	1,720,624	17
1180	Net accounts receivable - Related parties	IV, V, and VII	14,012	-	24,161	-
1200	Other receivables	IV, V, and VI.9	25,732	-	45,079	1
1220	Income tax assets for the period	IV and VI.30	5,316	-	22,842	-
130x	Inventories	IV, V, and VI.6	2,138,878	24	2,260,340	23
1410	Prepayments		94,695	1	138,480	1
1476	Other financial assets - Current	IV, VI.7, and VIII	10,000	-	10,000	-
1479	Other current assets		722	-	2,433	-
	Total current assets		<u>5,217,490</u>	<u>57</u>	<u>6,068,787</u>	<u>61</u>
15xx	Non-current assets					
1517	Financial assets at FVOCI - Non-current					
		IV and VI.8	-	-	-	-
1535	Financial assets at amortized cost - Non-current	IV and VI.3	232,369	3	91,104	1
1600	Property, plant and equipment	IV, VI.9, VI.29, VII, VIII, and IX	3,496,870	38	3,604,569	36
1755	Right-of-use assets	IV, VI.10, VI.14, VIII, and IX	61,339	1	56,643	1
1780	Intangible assets	IV, V, VI.11, and VI.29	22,109	-	25,857	-
1840	Deferred income tax assets	IV, V, and VI.30	60,484	1	72,363	1
1915	Prepayments for business facilities		27,587	-	27,248	-
1920	Refundable deposits		10,641	-	15,612	-
1975	Net-defined benefit assets - Non-current	IV, V, and VI.15	7,321	-	8,281	-
1990	Other non-current assets	IV and V	2,763	-	3,974	-
	Total non-current assets		<u>3,921,483</u>	<u>43</u>	<u>3,905,651</u>	<u>39</u>
1xxx	Total assets		<u>\$ 9,138,973</u>	<u>100</u>	<u>\$ 9,974,438</u>	<u>100</u>

(Please refer to the notes to consolidated financial statements)

Chairman: Tsai-Pao, Chiang

Manager: Tsai-Pao, Chiang

Chief accountant: Chin-Hsien, Lai

TA-I Technology Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheet (cont'd)

December 31, 2022 and 2021

(in NT\$ thousand)

Liabilities and Equity		Note	2022.12.31		2021.12.31	
Code	Accounting items		Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	IV, VI .12and VI.32	\$ 400,000	4	\$ 501,200	5
2130	Contract liabilities - Current	IV and VI .25	11,438	-	14,539	-
2170	Accounts payable	IV	375,394	4	893,036	9
2200	Other payables	IV, VI.9, VI.26, and IX	636,324	7	1,014,839	10
2220	Other payables - Related parties	IV and VII	1,483	-	1,392	-
2230	Current tax liabilities	IV and VI .30	113,424	1	204,694	2
2280	Lease liabilities-Current	IV, IV.14, VI.32, and VIII	1,398	-	3,254	-
2322	Long-term borrowings due within one year	IV, IV.13, VI.32, and VIII	220,879	3	25,000	-
2399	Other current liabilities		32,866	1	26,161	1
	Total current liabilities		1,793,206	20	2,684,115	27
25xx	Non-current liabilities					
2540	Long-term borrowings	IV, IV.13, VI.32, and VIII	751,791	8	847,670	8
2570	Deferred income tax liabilities	IV and VI .30	-	-	2,842	-
2580	Lease liabilities-Non-current	IV, IV.14, VI.32, and VIII	1,286	-	598	-
	Total non-current liabilities		753,077	8	851,110	8
2xxx	Total Liabilities		2,546,283	28	3,535,225	35
31xx	Equity attributable to shareholders of parent company					
3100	Share capital					
3110	Common share capital	IV, VI .16and VI.23	1,447,313	16	1,447,376	15
3200	Capital surplus	IV, VI .17, VI.20, and VI.23	1,525,472	17	1,656,961	17
3300	Retained earnings					
3310	Legal reserve	VI.18 and VI.20	828,302	9	735,642	7
3320	Special reserve	VI.19 and VI.20	410,437	4	409,368	4
3350	Undistributed earnings	IV, VI .8and VI.20	2,638,358	29	2,544,298	26
3400	Other equities					
3410	Exchange differences on translation of the financial statements	IV and VI .21	-242,007	(3)	-294,937	(3)
3420	Unrealized valuation losses from financial assets at FVOCI					
		IV, VI .8and VI.21	-115,500	(1)	-115,500	(1)
3491	Unearned remuneration of employees	IV, VI .21and VI.23	-	-	(1,841)	-
3500	Treasury stocks	IV, VI .23and VI.24	-	-	(34,487)	(1)
	Total equity attributable to shareholders of the parent company		6,492,375	71	6,346,880	64
36xx	Non-controlling interests	IV, VI .21and VI.22	100,315	1	92,333	1
3xxx	Total equity		6,592,690	72	6,439,213	65
	Total liabilities and equities		\$ 9,138,973	100	\$ 9,974,438	100

(Please refer to the notes to consolidated financial statements)

TA-I Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
As of December 31, 2022 and 2021

(in NTS thousand, apart from earnings per share)

Code	Accounting items	Note	2022		2021	
			Amount	%	Amount	%
4000	Net operating income	IV, VI.25, and VII	\$ 5,022,594	100	\$ 6,314,953	100
5000	Operating costs	IV, VI.6, VI.14, VI.15, VI.26, and VII	(3,875,939)	(77)	(4,520,334)	(72)
5900	Gross profit		1,146,655	23	1,794,619	28
6000	Operating expenses	IV, VI.14, VI.15, VI.21, VI.23,				
6100	Selling expenses	VI.26 and VII	(199,070)	(4)	(200,880)	(3)
6200	Administrative expenses		(332,160)	(7)	(367,575)	(6)
6300	Research and development expenses		(56,359)	(1)	(48,062)	-
	Total operating expenses		(587,589)	(12)	(616,517)	(9)
6900	Operating profit		559,066	11	1,178,102	19
7000	Non-operating income and expense					
7100	Interest revenue	VI.27	29,254	1	13,193	-
7010	Other income	VI.27	27,958	1	20,061	-
7020	Other gains or losses	IV, VI.27, and VII	(28,357)	(1)	7,446	-
7050	Financial costs	IV, VI.9 and VI.27	(11,686)	-	(10,928)	-
7270	Gain on reversal of impairment	IV, VI.9, VI.27, and VI.29	1,352	-	4,843	-
7230	Net gains from currency exchange	IV and VI.27	162,722	3	-	-
7630	Net losses from currency exchange	IV and VI.27	-	-	(41,869)	-
	Total non-operating incomes and expenses		181,243	4	(7,254)	-
7900	Net income		740,309	15	1,170,848	19
7950	Income tax expense	IV and VI.30	(110,643)	(2)	(217,709)	(4)
8200	Current period net profit		629,666	13	953,139	15
8300	Other comprehensive income	IV, VI.15, VI.21, VI.28, and VI.30				
8310	Items not reclassified subsequently to profit or loss:					
8311	Remeasurement of defined benefit programs		(1,851)	-	(235)	-
8349	Income taxes related to items that are not reclassified		371	-	47	-
	Total items that are not reclassified subsequently to profit or loss		(1,480)	-	(188)	-
8360	Items that may be reclassified subsequently to profit or loss:					
8361	Exchange differences on translation of the financial statements of foreign operations		57,822	1	(23,408)	-
8399	Income taxes related to items that may be reclassified		-	-	-	-
	Total items that may be reclassified subsequently to profit or loss		57,822	1	(23,408)	-
	Other comprehensive income of the current year (net amount after-tax)		56,342	1	(23,596)	-
8500	Total comprehensive income in the current period		\$ 686,008	14	\$ 929,543	15
8600	Net income attributable to:					
8610	Shareholders of the parent company		\$ 623,463	13	\$ 942,950	15
8620	Non-controlling interests		6,203	-	10,189	-
	Current period net profit		\$ 629,666	13	\$ 953,139	15
8700	Total comprehensive income attributable to:					
8710	Shareholders of the parent company		\$ 674,913	14	\$ 925,531	15
8720	Non-controlling interests		11,095	-	4,012	-
	Total comprehensive income in the current period		\$ 686,008	14	\$ 929,543	15
	Earnings per share (NTS)					
9750	Basic earnings per share (after tax)	IV and VI.31	\$ 4.31		\$ 6.60	
9850	Diluted earnings per share (after tax)	IV and VI.31	\$ 4.27		\$ 6.52	

(Please refer to the notes to consolidated financial statements)

Chairman: Tsai-Pao, Chiang

Manager: Tsai-Pao, Chiang

Chief accountant: Chin-Hsien, Lai

TA-I Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Changes in Equity
As of December 31, 2022 and 2021

(in NT\$ thousand)

Item	Equity attributable to shareholders of parent company										Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings			Other items of equity			Treasury stocks	Total		
			Legal reserve	Special reserve	Undistributed earnings	Exchange differences Exchange differences from the translation of	Unrealized valuation losses from financial assets at FVOCI	Unearned remuneration of employees				
Balance on January 1, 2021	\$ 1,447,423	\$ 1,624,529	\$ 669,488	\$ 455,239	\$ 2,067,388	\$ (277,706)	\$ (131,662)	\$ (17,402)	\$ (54,007)	\$ 5,783,290	\$ 90,699	\$ 5,873,989
The 2020 earning appropriation and allocation: (Note 6.20)												
Provision of legal reserve	-	-	66,154	-	(66,154)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(45,871)	45,871	-	-	-	-	-	-	-
Shareholders' cash dividends	-	-	-	-	(429,407)	-	-	-	-	(429,407)	-	(429,407)
Net profit in 2021	-	-	-	-	942,950	-	-	-	-	942,950	10,189	953,139
Other comprehensive income in 2021	-	-	-	-	(188)	(17,231)	-	-	-	(17,419)	(6,177)	(23,596)
Total comprehensive income in 2021	-	-	-	-	942,762	(17,231)	-	-	-	925,531	4,012	929,543
Transfer of treasury shares to employees	-	32,720	-	-	-	-	-	-	19,520	52,240	-	52,240
Equity instruments measured at FVOCI	-	-	-	-	(16,162)	-	16,162	-	-	-	-	-
Restricted stock award	(47)	(288)	-	-	-	-	-	15,561	-	15,226	-	15,226
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,378)	(2,378)
Balance on December 31, 2021	1,447,376	1,656,961	735,642	409,368	2,544,298	(294,937)	(115,500)	(1,841)	(34,487)	6,346,880	92,333	6,439,213
The 2021 earning appropriation and allocation: (Note 6.20)												
Provision of legal reserve	-	-	92,660	-	(92,660)	-	-	-	-	-	-	-
Provision of special reserve	-	-	-	1,069	(1,069)	-	-	-	-	-	-	-
Shareholders' cash dividends	-	-	-	-	(434,194)	-	-	-	-	(434,194)	-	(434,194)
Distribution of cash dividends from capital reserve	-	(144,731)	-	-	-	-	-	-	-	(144,731)	-	(144,731)
Net profit in 2022	-	-	-	-	623,463	-	-	-	-	623,463	6,203	629,666
Other comprehensive income in 2022	-	-	-	-	(1,480)	52,930	-	-	-	51,450	4,892	56,342
Total comprehensive income in 2022	-	-	-	-	621,983	52,930	-	-	-	674,913	11,095	686,008
Transfer of treasury shares to employees	-	13,633	-	-	-	-	-	-	34,487	48,120	-	48,120
Restricted stock award	(63)	(391)	-	-	-	-	-	1,841	-	1,387	-	1,387
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,113)	(3,113)
Balance on December 31, 2022	\$ 1,447,313	\$ 1,525,472	\$ 828,302	\$ 410,437	\$ 2,638,358	\$ (242,007)	\$ (115,500)	\$ -	\$ -	\$ 6,492,375	\$ 100,315	\$ 6,592,690

(Please refer to the notes to consolidated financial statements)

Chairman: Tsai-Pao, Chiang

Manager: Tsai-Pao, Chiang

Chief accountant: Chin-Hsien, Lai

TA-I Technology Co., Ltd. and Its Subsidiaries

Consolidated Statement of Cash Flow

As of December 31, 2022 and 2021

(in NT\$ thousand)

Item	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 740,309	\$ 1,170,848
Items of adjustment:		
Income/expenses items		
Depreciation expense	566,598	541,993
Amortizations	6,123	5,362
Net losses (gains) from financial assets at FVTPL	2,056	(2,319)
Interest expenses	11,686	10,928
Interest revenue	(29,254)	(13,193)
Dividend income	(29)	(29)
Cost of remuneration recognized for restricted stock award	1,387	15,226
Cost of remuneration recognized for transfer of treasury shares	28,551	32,720
Net gains from disposal of property, plant and equipment	(1,335)	(5,279)
Gains from the reversal of impairment of non-financial assets	(1,352)	(4,843)
Unrealized currency exchange loss	23,551	1,068
Changes in assets/liabilities related to operating activities		
Financial assets mandatorily measured at FVTPL	6	-
Notes receivable	8,767	(1,346)
Accounts receivable	485,728	(177,193)
Accounts receivable - Related parties	10,149	15,020
Other receivables	28,682	1,526
Inventories	121,462	(722,954)
Prepayments	43,785	(20,493)
Other current assets	1,711	(1,492)
Net-defined benefit assets	(891)	(4,091)
Contract liabilities	(3,101)	(35,528)
Accounts payable	(513,350)	276,788
Other payables	(282,655)	185,754
Other payables - Related parties	91	(97)
Other current liabilities	6,705	(17,582)
Cash flow from operating activities	1,255,380	1,250,794
Interest received	19,919	12,864
Dividends received	29	29
Interest paid	(11,380)	(13,279)
Income tax paid	(174,979)	(105,944)
Net cash inflow from operating activities	1,088,969	1,144,464

(Cont'd)

TA-I Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Cash Flow(Cont'd)
As of December 31, 2022 and 2021

(in NT\$ thousand)

(Cont'd)

Item	2022	2021
Cash flows from investing activities:		
Financial assets at amortized cost	\$ (194,917)	\$ (130,170)
Acquisition of property, plant and equipment	(524,398)	(719,479)
Disposal of property, plant and equipment	2,462	25,707
Decrease (increase) in refundable deposits	4,971	(2,244)
Acquisition of intangible assets	(436)	(2,607)
Acquisition of right-of-use assets	(6,549)	(40,914)
Increase in other non-current assets	(711)	(1,561)
Increase in prepaid equipment amount	(17,268)	(48,306)
Net cash outflow from investment activities	<u>(736,846)</u>	<u>(919,574)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	2,903,600	4,202,400
Decrease in short-term borrowings	(3,004,800)	(4,701,200)
Proceeds from long-term borrowings	500,000	550,000
Repayments of long-term borrowings	-400,000	-300,000
Repayment of principal and leases	-3,447	(4,236)
Cash dividends paid	-578,925	-429,407
Acquisition of treasury shares by employees	19,569	19,520
Changes in non-controlling interests	(3,113)	(2,378)
Net cash outflows from financing activities	<u>(567,116)</u>	<u>(665,301)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>38,767</u>	<u>(19,441)</u>
Decrease in cash and equivalents during the period	(176,226)	(459,852)
Cash and cash equivalents at the beginning of the period	<u>1,746,426</u>	<u>2,206,278</u>
Cash and cash equivalents at the end of the period	<u>\$ 1,570,200</u>	<u>\$ 1,746,426</u>

(Please refer to the notes to consolidated financial statements)

Chairman: Tsai-Pao, Chiang

Manager: Tsai-Pao, Chiang

Chief accountant: Chin-Hsien, Lai

distribution; the distribution method of earnings is as follows:

The Board formulates the proposal for earning distribution based on earnings available for distribution; when by way of new share issuance, the Board shall submit it to the shareholders for the resolution of distribution. The Company may distribute shareholders' bonuses by way of cash or shares, and the cash dividend shall be no less than 10% of the total earning distribution.

Note 3: Legal reserve = Net profit after tax for the period plus the amount of items other than net profit after tax for the period included in the undistributed earnings of the year * 10%.

Note 4: For the sequence of earning distribution of the year, earnings in 2022 shall be distributed first, and the insufficient part shall be supplemented by undistributed earnings from the preceding period.

Note 5: The distribution of cash dividends is rounded to NT\$1 based on the distribution ratio, with any amount below NT\$1 rounded off, and the sum of the fractional amounts is transferred to the Employee Benefits Committee of the Company.

Note 6: Shareholders' bonuses are distributed based on the number of issued shares, 144,731,339 shares.

Chairman:

Manager:

Chief Accountant:

TA-I TECHNOLOGY CO., LTD.
RULES OF PROCEDURES FOR SHAREHOLDERS' MEETINGS

Approved by the shareholders' meetings on June 9, 2022

- I. "Rules of Procedures for Shareholders' Meetings" of the Company, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules of Procedure.
- II. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated based on the attendance book or sign-in cards handed in. The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.
 The time during which shareholder attendance registrations will be accepted, as stated in the preceding Paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked with a sufficient number of suitable personnel assigned to handle the registrations.
 Shareholders or proxies engaged by shareholders (the "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- III. The chairperson shall call the meeting to order at the appointed meeting time when there are shareholders who represent over half of the total issued shares and disclose information concerning the number of non-voting shares and the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not reach the quorum stated in laws, the chairperson may announce a postponement, provided that no more than two such postponements (the first postponement shall be 20 minutes, and the second postponement shall be 10 minutes) may be made. If the quorum is not met after two postponements and the attending shareholders represent one-third of the total number of issued shares, "a tentative resolution may be adopted by receiving the consent of over half of the voting rights in attendance" pursuant to Article 175 of the Company.
 For the tentative resolution in the preceding Paragraph, if the number of shares represented by the attending shareholders has reached the quorum, the chairperson may propose the tentative resolution to the shareholders' meeting for ratification.
- IV. If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. Votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
 The provisions of the preceding Paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board.
 The chairperson may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two Paragraphs (including extempore motions). After the close of the said meeting as resolved, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place. If the chairperson declares the meeting adjourned in violation of the Rules of Procedure, a new chairperson may be elected by

agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

- V. When a meeting is in progress, the chairperson may announce a break based on time considerations. If all of the items on the meeting agenda have not been addressed in the meeting, the shareholders' meeting may adopt a resolution to postpone the meeting for five days or continue the meeting with no notice or announcement.
- VI. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson. A shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content being confirmed shall prevail. When a shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.
- VII. Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the attending shareholder's speech violates the rules in the preceding Paragraph, exceeds the scope of the agenda item, or violates the meeting's order, the chairperson may terminate or suspend the speech. Other shareholders may also request the chairperson to do so.
- VIII. For the discussion of proposals, the chairperson may announce the end of the discussion in due course or announce the suspension of the discussion when necessary and call for a vote.
- IX. Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When a proposal comes to a vote, if the chairperson puts the matter before all shareholders present at the meeting and none voices an objection, the matter is deemed approved with effectiveness ranking the same as a vote by ballot.
- X. Other proposals proposed by shareholders or amendments to or substitutes of the initial proposal shall be seconded by other shareholders, and the equity held by the proposer and the seconders shall reach 1% of the total voting rights of issued shares.
- XI. Regarding shareholders engaging proxies to attend the shareholders' meeting on their behalf, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- XII. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.
- XIII. The attendance at the shareholders' meeting shall be calculated based on shares. A shareholder of the Company is entitled to one vote when holding one share; however, there shall be no voting right granted for any circumstances stated under Paragraph 2, Article 179 of the

Company Act. When convening shareholders' meetings, the Company shall include electronic means as one of the channels to exercise voting rights, and the written method may be adopted. When written or electronic methods are adopted for the exercise of voting rights, the exercise methods shall be set out in the notice of the shareholders' meeting. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding Paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding Paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

If the Company holds a virtual shareholders' meeting, except for otherwise stated in the Regulations Governing the Administration of Shareholder Services of Public Companies or the Company Act, a shareholder who engaged a proxy to attend the shareholders' meeting on its behalf shall no longer attend the shareholders' meeting.

When a shareholder engages a proxy to attend the shareholders' meeting on its behalf, if, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. When the Company convenes a virtual shareholders' meeting, shareholders, solicitors, or proxies who intend to participate in the meeting online shall register with the Company two days before the shareholders' meeting. When the Company convenes a hybrid shareholders' meeting, if shareholders, solicitors, or proxies who have registered to attend the meeting online wish to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online. In the event of a virtual shareholders' meeting, when declaring the meeting open, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, and the obstruction continues for more than 30 minutes; if the meeting cannot be held or continued, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

In the case a meeting is postponed or resumed, as described in the preceding Paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

In the case a meeting is postponed or resumed according to the requirements, the number of shares represented by, and voting rights and election rights exercised by the shareholders, solicitors, or proxies who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under Paragraph 2 is required.

Under the circumstances where a meeting should continue as in the preceding Paragraph, the shares represented by shareholders, solicitors, or proxies attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted, and results announced, or a list of elected Directors and supervisors.

XIV. The venue for a shareholders' meeting shall be the location of the headquarters of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting.

The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

XV. If a shareholders' meeting is called by the Board, the Chairman shall preside at the said shareholders' meeting. In case the Chairman is on leave of absence or cannot exercise its powers and authority, the Vice Chairman shall act on its behalf. If there is no Vice Chairman or the Vice Chairman is also on leave of absence or cannot exercise its powers and authority, the Chairman shall designate a Managing Director to act on its behalf; if there is no Managing Director, the Chairman shall designate a Director to act on its behalf. If the Chairman does not designate a Director, the Managing Directors or Directors shall elect one from among themselves to act on behalf of the Chairman.

When a Managing Director or Director serves as chairperson, as referred to in the preceding Paragraph, the Managing Director or Director shall be someone who has held that position for six months or longer and understands the financial and business conditions of the Company. The same shall be true for a representative of a corporate Director that serves as chairperson.

If a shareholders' meeting is convened by a party with the power to convene but other than the Board, the convening party shall chair the meeting.

XVI. The Company may appoint its attorneys, CPAs, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

XVII. For the course of the shareholders' meeting, the Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding Paragraph shall be retained for at least one year. However, should a shareholder raise a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.

XVIII. When there is an amendment or an alternative to a proposal, the chairperson shall decide the order in which they will be put to vote. When any among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

- XIX. When a corporation is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- The number of representatives designated by corporate shareholders shall be up to the number of the current Director.
- XX. After an attending shareholder has spoken, the chairperson may respond in person or through direct relevant personnel.
- XXI. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel are shareholders of the Company. Voting results shall be made known on-site immediately and recorded in writing.
- Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record shall be made of the vote.
- The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected, and the names of Directors not elected and the number of votes they received.
- Where re-election of all Directors, as well as their inauguration date, is stated in the notice of the reasons for convening the shareholders' meeting after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.
- XXII. The chairperson may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
- XXIII. If air alerts, earthquakes, fire, or other material disasters occur during the meeting, the chairperson shall immediately announce the stoppage or suspension of the meeting and evacuate; the chairperson shall announce the meeting time one hour after the elimination of such conditions.
- XXIV. Unaddressed matters in these Rules of Procedure shall be subject to requirements of the Company Act and other relevant laws and regulations.
- XXV. The Rules of Procedure were implemented after being approved by the shareholders' meeting, and the same shall apply upon any amendment.

TA-I Technology Co., Ltd. Articles of Incorporation

Chapter 1 GENERAL PROVISIONS

Article 1: The Company is formed and named 大毅科技股份有限公司 according to the requirements of the Company Act. Its English name is TA-I Technology Co., Ltd.

Article 2: The scope of business of the Company is as follows:

- I. CC01080 Electronics Components Manufacturing
- II. CC01110 Computer and Peripheral Equipment Manufacturing
- III. F401010 International Trade
- IV. F119010 Wholesale of Electronic Materials
- V. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may be a shareholder with limited responsibility for other companies, and the total investment amount is not subject to the restriction of investment limits under Article 13 of the Company Act.

Article 3: The headquarters of the Company is located in Taoyuan City, Taiwan, and it may establish domestic and foreign branches or branch offices when necessary based on the resolution of the Board.

Article 4: (Delete).

Chapter 2 SHARES

Article 5: The authorized capital of the Company is NT\$3.8 billion, divided into 380,000,000 shares with a par value of NT\$10 per share; the Board is authorized to issue the unissued shares in batches subject to the business requirements of the Company.

NT\$200 million in the abovementioned authorized capital is retained and divided into 20,000,000 shares with a par value of NT\$10 per share for the issuance of employee stock options, which may be issued in batches based on the Board's resolution.

Article 6: When declaring the issuance of employee stock options, if the subscription price is lower than the closing price of the Company's shares on the issuance date, it shall receive the consent of shareholders holding over two-thirds of the voting rights at a meeting attended by shareholders representing over half of the total issued shares.

When the Company transfers shares to employees at a price lower than the average price of the repurchased shares, it shall receive the consent of shareholders holding over two-thirds of the voting rights at an upcoming shareholders' meeting attended by shareholders representing over half of the total issued shares.

Article 7: Shares of the Company are registered, signed or affixed with seals and numbered by three Directors or above and issued after being certified by the competent authority or an

issuance registration institution it approved according to the law.

The Company may also deliver its shares through book entry without printing physical share certificates; the same shall apply to the issuance of other securities.

Shares issued by the Company are exempted from printing share certificates; however, the Company shall register them with a centralized securities depository enterprise; the requirements in the above two Paragraphs are not applicable.

Article 8: The transfer of shares shall be suspended 60 days, 30 days, and or 5 days before an annual shareholders' meeting, an extraordinary shareholders' meeting, or the base date on which the Company decides to distribute dividends and bonuses or other benefits.

Chapter 3 SHAREHOLDER MEETINGS

Article 9: There are annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings are convened once a year within six months from the end of each fiscal year, with shareholders being noticed 30 days in advance, and extraordinary shareholders' meetings are convened according to the law when necessary, with shareholders being noticed 15 days in advance.

The notice or the announcement shall specify the meeting date, venue, and reasons.

Article 9-1: Shareholders' meetings of the Company may be held by way of a video conference or other methods announced by the central competent authority. If a virtual shareholders' meeting is convened, attendance via tele- or video-conference is deemed as attendance in person.
Regarding the requirements in the preceding two Paragraphs, comply with the requirements otherwise stated by the competent authority of securities, if any.

Article 10: If a shareholder is unable to attend a shareholders' meeting, it may issue a proxy form printed and issued by the Company and set out the scope of authorization to engage a proxy to attend the meeting on its behalf.

Article 10-1: The Chairman shall preside at the shareholders' meeting except for otherwise stated in the Company Act. In case the Chairman is on leave of absence or cannot exercise its powers and authority, the Vice Chairman shall act on its behalf. If there is no Vice Chairman or the Vice Chairman is also on leave of absence or cannot exercise its powers and authority, the Chairman shall designate a Director to act on its behalf. If the Chairman does not designate a Director, the Directors shall elect one from among themselves to act on behalf of the Chairman. If a shareholders' meeting is convened by a party with the power to convene but other than the Board, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

Article 11: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under laws and regulations or the Articles of Incorporation.

Article 12: Except for otherwise stated in laws and regulations or the Articles, resolutions made by the shareholders' meeting shall receive the consent of attending shareholders with more than half of the voting rights at a meeting attended by shareholders representing more than half of the total number of shares. According to the requirements of the competent authority, shareholders of the Company may exercise their voting rights via electronic means, and shareholders who exercise their voting rights via electronic means shall be deemed as attending in person; relevant matters shall be subject to the requirements of laws and regulations.

Article 12-1: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting, and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The Company may distribute the meeting minutes of the preceding Paragraph by means of a public announcement.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of the Company.

The attendance book and proxy forms of the shareholders' meetings shall be preserved for at least one year. However, should a shareholder raise a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.

Chapter 4 DIRECTORS

Article 13: The Company has five to 13 Directors with a term of three years; the candidate nomination system is adopted, and Directors are elected by the shareholders' meeting from capable persons; Directors may be re-elected and re-appointed.

In the number of Directors in the preceding Paragraph, the number of Independent Shareholders shall be no less than three persons, and the ratio shall be no less than one-fifth of the total number of Directors. The candidate nomination system is adopted for the election of Independent Directors, who shall be elected by shareholders from the list of Independent Director candidates. The qualification, shareholding, restriction on concurrent position, nomination, election method, the exercise of powers, and other matters to be observed are subject to relevant requirements of competent authority.

Article 13-1: The cumulative voting method is used for the election of the Company's Directors. Each share will have voting rights in number equal to the directors to be elected and they may be cast for a single candidate or split among multiple candidates. Candidates who receive votes that represent more voting rights shall be elected as Directors.

Article 13-2: The Company has established its Audit Committee, which is comprised of all Independent Directors.

The number, term of office, powers, rules of procedure, and other matters of the

Audit Committee shall be subject to relevant requirements under the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and otherwise established under the Charter of Audit Committee.

Article 14: The Board is formed by the Directors; a Chairman shall be elected by receiving the consent of over half of the attending Directors at a meeting attended by over two-thirds of Directors, and there may be a Vice Chairman in place who shall be elected in the same method as the Chairman in accordance with the Articles; the Chairman represents the Company to external parties.

Article 15: Board meetings shall be convened by the Chairman. The Chairman shall chair a Board meeting; if the Chairman or a Director is on leave or is unable to exercise its powers, another Director may act on its behalf according to the requirements under Article 208 or Article 205 of the Company Act.

If a virtual Board meeting is convened, attendance via tele- or video-conference is deemed as attendance in person.

Article 15-1: A notice of the reasons for convening a Board meeting shall be given to each Director seven days before the meeting is convened. In emergency circumstances, however, a Board meeting may be called on shorter notice. A notice may be made via correspondence, e-mail, or facsimile.

Article 16: Except for otherwise stated in the Company Act, a resolution of the Board shall receive the consent of over half of the attending Directors at a meeting attended by over half of the Directors.

Article 16-1: The remuneration of a Director shall be determined by the Board based on its level of participation in the Company's operations and contributions with reference to the domestic and foreign standards within the industry. In addition, the Company shall purchase liability insurance for Directors based on the scope of their duties and the compensation responsibility according to the law.

Chapter 5 MANAGERS

Article 17: The Company may have one President, one Vice President, and managers whose appointment, dismissal, and compensation are subject to the requirements under Article 29 of the Company Act.

Chapter 6 ACCOUNTING

Article 18: The Board shall prepare the (I) business report, (II) financial statements, (III) proposal for earning distribution or loss compensation, and other books and statements at the end of each fiscal year and submit them to the annual shareholders' meeting for ratification according to the statutory procedures.

Article 19: (Delete).

Article 20: If the Company records profit for the year, it shall appropriate 6% to 10% as remuneration of employees, and the Board shall resolve to distribute in shares or cash; the target of distribution includes employees, who fulfill certain conditions, of controlling or subordinated companies; based on the profit above, the Board may

resolve to appropriate no more than 3% as remuneration of Directors. Proposals for the remuneration of employees and remuneration of Directors shall be reported to the shareholders' meeting.

However, when the Company has cumulative losses, it shall preserve the compensation amount in advance, and then, appropriate remuneration of employees and remuneration of Directors based on the ratio in the preceding paragraph.

Article 21: According to the requirements of the Articles of Association, if the Company records any earnings from the final account of the year, it shall pay taxes according to the law and compensate cumulative losses, and then, appropriate 10% as the statutory surplus reserve; however, when the amount of statutory surplus reserve reaches the paid-in capital of the Company, the appropriation is exempted; for the remaining balance, the Company shall appropriate or reserve special surplus reserve according to the requirements of laws and regulations; if there are still balances, combine them with the cumulative undistributed earnings, the Board shall formulate a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of distributing shareholders' bonuses.

The dividend policy of the Company is as follows: The Company is in the stage of stable growth and adopts the residual dividend approach for its dividend policy; in response to the current and future development plans, taking into account the investment environment, capital requirements, domestic and foreign competition status, with equivalent consideration given to shareholders' interest and other factors, the Company determines its earning distribution; the distribution method of earnings is as follows:

The Board formulates the proposal for earning distribution based on earnings available for distribution and submits it to the shareholders for the resolution of distribution. The Company may distribute shareholders' bonuses by way of cash or shares, and the cash dividend shall be no less than 10% of the total earning distribution.

Article 20-2: The Board is authorized to distribute cash dividends and bonuses according to the resolution made by receiving the consent of over half of the attending Directors at a Board meeting attended by over two-thirds of the Directors and report to the shareholders' meeting; the requirements related to the resolution of the shareholders' meeting in the Articles shall not apply.

Chapter 7 SUPPLEMENTAL PROVISIONS

Article 21: Unaddressed matters in the Articles shall be subject to the requirements of the Company Act, Securities and Exchange Act, or other relevant regulations.

Article 22: The Articles were established on November 20, 1989.

The first amendment was made on May 26, 1993.

The second amendment was made on March 26, 1994.

The third amendment was made on July 30, 1995.

The fourth amendment was made on December 14, 1996.

The fifth amendment was made on May 24, 1997.

The sixth amendment was made on October 30, 1997.

The seventh amendment was made on May 25, 1998.

The eighth amendment was made on September 15, 1998.

The ninth amendment was made on October 28, 1999.

The tenth amendment was made on March 27, 2000.

The eleventh amendment was made on May 15, 2001.

The twelfth amendment was made on May 21, 2002.

The thirteenth amendment was made on May 27, 2003.

The fourteenth amendment was made on June 18, 2004.

The fifteenth amendment was made on June 16, 2005.

The sixteenth amendment was made on June 2, 2006.

The seventeenth amendment was made on August 22, 2007.

The eighteenth amendment was made on June 13, 2008.

The nineteenth amendment was made on June 9, 2010.

The twentieth amendment was made on May 27, 2011.

The twenty-first amendment was made on June 5, 2012.

The twenty-second amendment was made on June 13, 2013.

The twenty-third amendment was made on June 20, 2014.

The twenty-fourth amendment was made on June 2, 2015.

The twenty-fifth amendment was made on June 13, 2016.

The twenty-sixth amendment was made on June 5, 2019.

The twenty-seventh amendment was made on June 9, 2020.

The twenty-eighth amendment was made on June 9, 2022.

TA-I Technology Co., Ltd.

Chairman: Chiang Tsai-Pao

Shareholding of Directors

As of April 9, 2023, the book closure day of the shareholders' meeting

Position	Name	Date Elected	Number of Shares Held When Elected		Current Shareholding		Remarks
			Number of Shares	Ratio to the Total Issued Shares (%)	Number of Shares	Ratio to the Total Issued Shares (%)	
Chairman	Chiang Tsai-Pao	2020.06.09	5,366,821	3.71%	5,686,821	3.93%	-
Directors	Wang Chin-Jung	2020.06.09	5,645,156	3.90%	3,775,156	2.61%	-
Directors	Liu Li-Wen	2020.06.09	2,796,891	1.93%	3,027,891	2.09%	-
Directors	Lin Chiu-Sung	2020.06.09	3,146,900	2.17%	3,177,009	2.20%	-
Directors	Lin Tai-Shan	2020.06.09	3,172,956	2.19%	3,172,956	2.19%	-
Directors	Yang Pei-Chieh	2020.06.09	143,231	0.10%	152,231	0.11%	-
Independent Director	Chen Yong-Tai	2020.06.09	219	0.00%	219	0.00%	-
Independent Director	Tseng Chen-Hui	2020.06.09	0	0.00%	0	0.00%	-
Independent Director	Hsu Yen-Jung	2020.06.09	0	0.00%	0	0.00%	-
Total			20,272,174	14.00%	18,992,283	13.12%	-

Position	Minimum number of shares held by the Directors according to the law	Number of shares held by the Directors (excluding Independent Directors) as of April 9, 2023
Directors	8,683,880	18,992,064

Issued shares of the Company as of April 9, 2023, the book closure day of the shareholders' meeting:

144,731,339 shares

The list of candidates for directors (including independent directors) and related information are as follows:

Nominee: Board of Directors

nominate candidates	name	personal background or details	share hold
Directors	Chiang Tsai-Pao	Kainan University Director, TAI Electronic Co., Ltd. Director, TAI OHM Electronics (M) Sdn. Bhd. Director, Hong Kong TAI Electronic Co., Ltd. Director, Dongguan TAI Electronic Co., Ltd. Director, Indonesia TAI Electronic Co., Ltd. Director, Xiangtai Enterprise Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd. Chairman, Dongguan Changping Sima Xiangtai Resistor Co., Ltd. Chairman, JHAN SIN Sensor Co., Ltd. (JHAN SIN)	5,686,821
Directors	Wang Chin-Jung	Kainan University Director, TAI Electronic Co., Ltd. Director, TAI OHM Electronics (M) Sdn. Bhd. Director, Hong Kong TAI Electronic Co., Ltd. Director, Dongguan TAI Electronic Co., Ltd. Director, Indonesia TAI Electronic Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd. Director, Dongguan Changping Sima Xiangtai Resistor Co., Ltd.	3,775,156
Directors	Liu Li-Wen	Kainan University Director, TAI Electronic Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd.	3,027,891
Directors	Lin Chiu-Sung	Taoyuan Municipal Taoyuan Senior High School Director, TAI Electronic Co., Ltd. Director, Xiangtai Enterprise Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd. Director, Dongguan Changping Sima Xiangtai Resistor Co., Ltd.	3,177,009

nominate candidates	name	personal background or details	share hold
Directors	Lin Tai-Shan	Senior High School Director, TAI Electronic Co., Ltd. Director, TAI OHM Electronics (M) Sdn. Bhd. Director, Hong Kong TAI Electronic Co., Ltd. Director, Dongguan TAI Electronic Co., Ltd. Director, Indonesia TAI Electronic Co., Ltd. Director, TA-I Technology (Suzhou) Electronics Co., Ltd. Director, TA-I Technology Electronics (Dongguan) Co., Ltd. Supervisor, Dongguan Changping Sima Xiangtai Resistor Co., Ltd.	3,172,956
Directors	Yang Pei-Chieh	Central Police University Master of Laws, Institute of Police Studies Director, TAI Electronic Co., Ltd. CEO, Guiguang Accounting Office	152,231
Independent director	Chen Yong-Tai	Kainan University Independent director, TAI Electronic Co., Ltd. Chairman, J'code Chairman, Long Wall, Gold&Silver Jewellery Co., Ltd.	219
Independent director	Tseng Chen-Hui	School of medicine,college of medicine,NCKU Independent director, TAI Electronic Co., Ltd. Director, Department of Gastroenterology Medical Imaging, Cheng Gung Memorial Hospital, Linkou	0
Independent director	Wu Ping-Tse	Ph.D. in Economics, Nankai University, China Chairman, J.S.I. Co., Ltd.	265,303
Independent director	Chang Hsien-Ming	Chairman, Jih Hong Technology Co., Ltd. Chairman, Long Trump Corporation	0

【Appendices 5】

Dayi Technology Co., Ltd. Measures for the election of directors

110.06.11 Adopted by the shareholders' meeting

1. These Measures are hereby formulated in accordance with the provisions of the Company Law and the Articles of Association of the Company, and the election of directors of the Company shall be in accordance with the provisions of these Measures.
2. The election of directors of the Company shall be carried out separately at the shareholders' meeting.
3. The election of directors of the Company shall be by recorded ballot, and the registered names of the electors may be replaced by attendance numbers.
4. For the election of directors of the Company, each share has the same voting rights as the number of directors to be elected, and one person may be elected centrally or several persons may be allocated for election, and the board of directors shall prepare the voting votes of the directors and distribute them to the shareholders.
5. The directors of the Company shall be elected by the persons with the capacity of the shareholders' meeting and shall be elected as directors in turn by the persons with more voting rights represented by the votes obtained in accordance with the quota stipulated in the articles of association of the Company. If two or more persons have the same number of entitlements and exceed the prescribed quota, the person with the same number of entitlements shall draw lots, and if not present, the Chairman shall draw lots on his behalf. The election of directors of the Company shall be conducted in accordance with the procedures of the nomination system stipulated in Article 192-1 of the Company Law. The election of independent directors of the Company shall be calculated separately from the consolidated election of general directors in accordance with Article 5 of the Regulations on the Establishment and Matters to be Followed by Independent Directors of Public Offering Companies.
6. Electoral ballots shall be issued by the convener, which shall indicate the number of voting rights. However, those who exercise their right to vote electronically shall not issue additional electoral papers.
7. For the election of directors of the Company, the scrutineers and tellers designated by the Chairman shall handle the monitoring and counting of votes.
 8. The voting cabinet shall be prepared by the convener and shall be opened by the scrutineer in public before voting.
9. The Company adopts a candidate nomination system for the election of directors and independent directors, and shareholders shall fill in the "Candidates" column of the election ballot for the selection of directors candidates, and shall fill in the candidates with reference to the list of candidates; However, this does not apply to

shareholders exercising their voting rights by electronic voting.

10. Ballot papers shall be invalid under any of the following circumstances:

- (1.) Those who do not use the voting papers specified in these Measures.
- (2.) Those who throw blank ballots into the voting cabinet; Ballots that have not been put into the ballot box.
- (3.) Election ballots that are defaced, incorrectly recorded, or obscured, and cannot be identified or altered.
- (4.) Those who do not match the list of candidates for directors filled in and checked.
- (5.) In addition to filling in the number of candidates and allocating voting rights, those who write other words, symbols, and patterns.
- (6.) Those who have not filled in the candidate or whose records are incomplete.
- (7.) Those whose ballots are filled in with more than the number of candidates or who should be elected.
- (8.) The total number of voting rights contained in the electoral paper exceeds the number of voting rights.

11. After the voting is completed, the scrutineers and tellers will open the ballot cabinets together.

12. The scrutineer shall observe the results of the issuance of the votes, which shall be announced by the Chairman on the spot.

13. The Board of Directors shall issue separate notices of election to the elected directors.

14. These Measures shall come into force after being adopted by the shareholders' meeting, and the same shall apply when amended.