



Stock Code : 2908

Test Rite International Co., Ltd.

**Handbook for the 2022 Annual Meeting of
Shareholders**

MEETING TIME: 9:00 a.m., Wednesday, June 15, 2022

PLACE: 6F., No.23, Hsin Hu 3rd Rd., Nei Hu, Taipei, Taiwan, ROC

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Test Rite International Co., Ltd.

Meeting Procedure for the 2022 Annual Meeting of Shareholders

- 1.Call Meeting to Order
- 2.Chairman's Remarks
- 3.Management Presentation
- 4.Proposals
- 5.Discussion
- 6.Questions and Motions
- 7.Adjournment



**Test Rite International Co., Ltd.
2022 Annual General Shareholders' Meeting**

Agenda

Time: 9:00 a.m., June 15, 2022

Place: Test Rite (6F., No. 23, Hsin-Hu 3rd Road, Nei Hu, Taipei, Taiwan)

**Call Meeting to Order
Chairman's Remarks**

Management Presentation

1. Business Report for 2021.
2. Audit Committee's Review Report on the 2021 Financial Statements.
3. Report on the distribution of employees' and directors' remuneration for 2021.
4. Report on the 2021 earnings distribution of cash dividends.
5. Report of amendment to Regulations of Repurchased Shares Transferred to Employees.

Proposals

1. Adoption of the Business Report for 2021 and the Financial Statements.
2. Adoption of the proposal for the 2021 profits distribution.

Discussion

1. Amendment to the Procedures for Acquisition and Disposal of Assets.
2. Amendment to the Articles of Incorporation.
3. Amendment to the Rules and Procedures of Shareholders Meeting.

Questions and Motions

Adjournment



Management Presentation

1. Business Report for 2021 (proposed by the Board of Directors).

Details: The Business Report for 2021 as per Annex 1 (page 6~9).

2. Audit Committee's Review Report on the 2021 Financial Statements (proposed by the Board of Directors).

Details : The 2021 Audit Committee's Review Report as per Annex 2.(page10).

3. Report on the distribution of employees' and directors' remuneration for 2021 (proposed by the Board of Directors).

Details: The distribution of remuneration was implemented pursuant to the Company's Articles of Incorporation. The Company's 2021 pretax profit before deducting the compensation of employees and the remuneration of directors is NT\$937,265,224. The compensation of employees and the remuneration of directors were determined by the board of directors. A total amount of employees' compensation is NT\$9,372,653 and a total amount of directors' remuneration is NT\$14,058,977. All compensation and remuneration shall be distributed in cash.

4. Report on the 2021 earnings distribution of cash dividends (proposed by the Board of Directors).

Details:

- 1 、 The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision to the shareholders meeting in accordance of the Articles of Incorporation.
- 2 、 Fiscal year 2021 profits are to be distributed in the following manners with profits from fiscal year 2021 are to be distributed with first.
 - (1) 10% of the profits, or NT\$78,104,572 is to be reserved as Legal Reserve.
 - (2) Shareholder dividends totaled NT\$ 634,344,394 dollars. Based on the calculated number of total outstanding shares as of April 17, 2022 is 495,581,558 (i.e., total number of 509,887,558 issued shares of the Company excluding 14,306,000 treasury shares). Accordingly, each eligible share will receive a cash dividend payout of NT\$1.28 per share (payout amount of less than NT\$1 will be not be distributed).
 - (3) After the distribution, the accumulated retained earnings is NT\$3,806,273.
- 3 、 The chairman was authorized by the Board of Directors to decide the ex-dividend date, date of issuance, and other relevant issues. In the event that proposed distribution of earnings is affected by a change in the Company's outstanding common shares, the chairman is authorized by the Board of Directors to make adjustment to such distribution at his/her discretion.

5. Report of amendment to Regulations of Repurchased Shares Transferred to Employees (proposed by the Board of Directors).

Details : Amendment to the Regulations of Repurchased Shares Transferred to Employees was approved at Nov 10, 2021 in the Board Meeting. Please refer to Attachment 3 (page11 ~ 12) for the details.

Proposals

1. Adoption of the Business Report for 2021 and the Financial Statements (proposed by the Board of Directors).

Details:

- (1) The parent company's 2021 Financial Statements and the Consolidated Financial Statements independently audited by auditors Mr. HSU, CHI-MING and Ms. CHIU, MING-YU of Deloitte & Touche, along with the Business Report for 2021, have been approved by the Board of Directors and examined by the Company's supervisors.
- (2) Please refer to Annex 1 (page 6~9) for the Business Report for 2021 and Annex 4 (page 13~34) for the Financial Statements.
- (3) The Business Report for 2021 and the Financial Statements are to be discussed for approval by the shareholders.

Resolution:

2. Adoption of the proposal for the 2021 profits distribution (proposed by the Board of Directors).

Details:

- (1) In accordance with the Articles of Incorporation, the distribution of earnings' for 2021 are detailed in Annex 5 (page 35) .
- (2) The proposal is to be discussed for approval by shareholders.

Resolution:

Discussion

1. Amendment to Procedures for Acquisition and Disposal of Assets. Please proceed with discussion. (proposed by the Board of Directors)

Details :

- (1) Partial amendment to Procedures for Acquisition and Disposal of Assets is comply with the amendments of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. Please refer to Attachment 6 (page 36~40) for details.
- (2) The amendment is to be discussed by the shareholders’ meeting.

Resolution :

2. Amendment to the Articles of Incorporation. Please proceed to discuss. (proposed by the Board of Directors)

Details :

- (1) Partial amendment to the Articles of Incorporation is comply with the amendments of the Company Act.
- (2) Please refer to Annex 7 (page 41) for details.
- (3) The amendment is to be discussed by the shareholders’ meeting.

Resolution :

3. Amendment to the Rules and Procedures of Shareholders Meeting. Please proceed with discussion. (proposed by the Board of Directors)

Details :

- (1) To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings, it is proposed to amend the Company’s Rules and Procedures for Shareholders’ Meeting.
- (2) Please refer to Annex 8 (page 42~51) for details.
- (3) The amendment is to be discussed by the shareholders’ meeting.

Resolution :

Questions and Motions

Adjournment

Annex 1**Test Rite International Co., Ltd.
Business Report**

Dear Shareholders,

2021 in retrospect: Test Rite reported revenue of NT\$43.8 billion in 2021, while net profit after tax came in at NT\$783 million, with a basic EPS of NT\$1.58. The COVID-19 pandemic has changed people's lifestyle, With the proper global sourcing and strategy for the new normal of life, our revenue showed a YoY increase of 4.7%.

Our trading unit's revenue was NT\$25.2 billion and the total shipment amount was NT\$39 billion in 2021, a YoY increase of 9% and 9.3%, respectively. Even though the COVID-19 pandemic continued to ravage the world, our shipments remained robust. As the COVID-19 pandemic changed the rules of the global supply chain in 2021, our trading business used flexible procurement strategies to provide customers with the best supply solutions in response to market conditions. Amid the pandemic, the global supply chain continued to face challenges such as lack of workers and raw materials and supply and demand imbalance in ocean freight. Test-Rite strived to overcome these challenges. Having been operating with integrity for many years, Test-Rite has established the global supply chain and maintained stable cooperation with marine transporters and forwarders. Therefore, we will keep shipments flexible and stable to remain a trustworthy partner of European and American retail customers. In the future, Test-Rite will take advantage of our edges and experience acquired from tackling COVID-19 to provide our global customers with better services.

Our Taiwan retail business reported revenue of NT\$16.7 billion in 2021, a 0.5% increase from 2020. This showed that Taiwan's retail sales, both online and offline channels, remained robust despite the rising COVID cases domestically. In the post-pandemic era, rigid demand from the stay-at-home economy promoted the sales of online and offline channels. Our TR Plus website sales continued to grow, which registered revenue NT\$2.14 billion in 2021, up 22% YoY. As the government raise the COVID-19 alert to Level 3 in May 2021, people cooperated to take the epidemic prevention measures and stay at home, causing the number of store shoppers to drop. Therefore, Taiwan retail business revenue decreased significantly compared with that last year. Facing the impacts of reduced social interaction and outdoor activities, Test-Rite not only made quick adjustments to allocate the resources of online and offline channels, but also cooperated with the delivery service provider to meet various customer needs. Test-Rite retail business took active measures to keep the sales from dropping and also primed for retaliatory consumption, thereby delivering a stellar performance in 2021. In the post-pandemic era, recurrences of the pandemic have become the new normal. There is nothing permanent except the change in people's lifestyles; that is, people have spent more time staying at home. Therefore, it will bring the benefit to our retail business's development.

As of the end of 2021, Test-Rite Group operated 26TLW (DIY) stores, 25 community stores, 26 HOLA stores, 3 Crate & Barrel stores, and 8 hoi! stores in Taiwan.

The following is Test-Rite's consolidated operating results in 2021, along with the business plan for the year and future business strategies. We also discuss the potential impact of external competition, government regulations, and the macroeconomic environment.

1. Operating results in 2021

i. Operating results based on the business plan for 2021 (consolidated):

(NT\$ mn)	2021	2020	YoY Change by Value	YoY Change (%)
Net sales	43,757	41,791	1,966	4.7%
COGS	(33,051)	(31,130)	1,921	6.2%
Gross profit	10,706	10,661	45	0.4%
Operating expense	(9,946)	(9,512)	434	4.6%
Operating profit	760	1,149	(389)	(33.9%)
Non-operating profit/(loss)	252	(190)	442	232.6%
Net profit before tax	1,012	959	53	5.5%
Net profit after tax	818	807	11	1.3%
Recurring net profit attributed to TRIC	783	792	(9)	(1.2%)

ii. Operating results based on the business plan for 2021 (standalone):

(NT\$ mn)	2021	2020	YoY Change by Value	YoY Change (%)
Net sales	22,888	20,219	2,669	13.20%
COGS	(19,858)	(17,021)	2,837	16.67%
Gross profit	3,030	3,198	(168)	(5.25%)
Operating expense	(2,941)	(2,747)	194	7.06%
Operating profit	89	451	(362)	(80.27%)
Non-operating profit/(loss)	825	415	410	98.80%
Net profit before tax	914	866	48	5.54%
Net profit after tax	783	792	(9)	(1.13%)

iii. Key balance sheet and profitability metrics (consolidated)

Item/Year		2021	2020	YoY Change (%)
Balance Sheet	Total Liability/Total Asset	81.80%	82.00%	(0.20%)
	Current Ratio	110.36%	104.46%	5.9%
Profitability	ROE	11.63%	12.24%	(0.61%)
	Net Margin	1.87%	1.93%	(0.06%)
	EPS	1.58	1.6	(1.25%)

2. 2022 business plan and future development strategies

(1) Business plan and managerial principles:

A. Trading Business:

- Reinforce our existing relationships with key accounts to increase shipments.
- Continue to develop the new categories and strengthens product specialization and differentiation.
- Maintain strategic cooperation with our vendors and strengthen the supply chain.
- Tap into Southeast Asia to strengthen the global sourcing capability.
- Continue to maintain the relationship with existing trading customers, and develop new customers actively.
- Expand the trading network by setting up logistic centers across Europe, America, and Asia.

B. Retail Business

- Expand community stores to get closer to consumers' life and serve customers in the nearby communities.
- Implement the COVID-19 pandemic control seriously and follow the sales and development of products related to the pandemic.
- Create the products differentiation and strength its' advantages.
- Improve the service products and provide one-to-one service of LINE increase customer stickiness.
- Innovate based on the home furnishings industry's value chain to satisfying customer needs.
- Continue to work with brands to launch unique products.

(2) Future development strategies:**A. Trading Business**

- Leverage product development, procurement, and supply chain management to offer best-in-class value-added products and services to our customers.
- Strengthen self-development and designed capabilities, enhance customer experience, develop differentiated product functions, and respond quickly to meet market demand.
- Fortify existing relationships with customers in both our principal and agency businesses and aggressively pursue potential business opportunities.
- Continue to promote a global supply-chain strategy in response to an evolving trading environment worldwide.
- Seek M&A opportunities in the trade and retail businesses to complement organic growth of existing businesses.

B. Retail Business

- Develop various co-branding strategies to create trending topics and distinctive products.
- Strengthen brand's market memory and differentiated service experience in stores.
- Develop communities, provide services, be attentive to consumer demands, and leverage more innovative services.
- Focus on furniture products in online channels and maximize the types of products.
- Strive the agency of new products and brands.

2. Potential impact of external competition, government regulations, and the macroeconomic environment

In 2021, Taiwan's export and investment amounts increase by 6.45% yoy which reached a record high, surpassing last ten years driven by rapid recovery of the global economy and trade. The epidemic heated up in May 2021 so the Level 3 epidemic alert was extended nationwide. The government encourage people to get vaccinated which hope to control the COVID-19 and support the growth momentum of Taiwan's domestic consumption and overseas trade With the benefits of low interest rate, the new wave of capital inflows and the stable economic boom, the total number of houses transferred in 2021 increased by 6.75% YoY to 348,000. The booming housing market and growth of transaction volume bring positive impact on the home industry. Amid the pandemic, person-to-person contact was reduced under strict prevention policies, which triggered the zero-contact business opportunities. The proportion of consumption at home has increased greatly, and the stay-at-home economy is expected to boom after the end of the pandemic. The policy of raising interest rates and cooling off the housing market may put more pressure on real estate and related industries, but the proportion of old houses is very high in Taiwan. The house's average age is about 32 years in Taiwan. The houses of three of the six municipal cities are more than 30 years old, which creates a high demand for repair. High house prices also make it difficult to purchase houses. Therefore, the refurbishment of dilapidated houses becomes an ideal choice and also adds fuel to the repair market. Our retail business will leverage our strengths to provide consumers with a user-friendly, professional



sales network that offers a variety of products and services, both offline and online.

2021 is the second year of the outbreak of the COVID-19, unlike the dark age of the early epidemic. The U.S. GDP growth rate decreased by 5.7% in 2021 which is the strongest growth since 1984. It reflected the low base period of the outbreak of the epidemic in 2020 and the steady recovery of various economic activities in 2021. The new wave of epidemic challenges, labor shortages, supply chain disruptions and rising inflationary pressures will be the next ordeal for the U.S. economy. The euro zone economy is strong because of the effective control for Covid 19, monetary easing policies so it can resist the rising energy price, supply chain bottlenecks and the new wave of COVID-19. The Eurozone growth rate decreased by 5.2% in 2021 but the Europe's situation is challenged in the short term It will be observed whether the rising price caused by reopening after the epidemic in recent. China's economic growth rate of 8.1% in 2021 which not only exceeded China's predetermined target of 6%, but also returned to a level in a decade. After outbreaking of the COVID-19 pandemic, consumers spend a lot of times to stay at home. Therefore, they buy more furniture, consumer electronics and other goods made in China. Although China's foreign trade performance is outstanding in 2021, the higher commodity prices, the real estate debt crisis and the policy of Zero-COVID may cause the pace of China's economic growth to continue to slow down which is still overcoming challenges.

In 2021, with the promotion of vaccination against COVID-19 in various countries around the world, the lifting lockdowns in Europe and the United States, it drives global market demand and the world economy will recover strongly. Observing national and international economic situation in recent, the

Lastly, all employees of Test Rite Group will spare no efforts to adequately plan and manage our trading, retail and other group businesses in an honest, sincere and dedicated manner, with the objective to improve our balance sheet and further enhance return on equity (ROE). We, the management team of Test Rite, on behalf of all our employees, would like to take this opportunity to thank shareholders for your continued support and encouragement.

Sincerely,

Chairman: Judy Lee

GM: Judy Lee

Controller: Linda Li

Annex 2

To: Test Rite International Co., Ltd. 2022 Shareholders' Meeting
From: Audit Committee of Test Rite International Co., Ltd
Re: Audit Committee's Review Report

Dear shareholders,

Here we ensure the annual financial reports of TRIC stands alone and its consolidation for 2021 have been rendered by Board and audited independent auditors Mr. HSU, CHI-MING and Ms. CHIU, MING-YU of Deloitte Touche. Further we review 2021 Business report and 2021 Profits Distribution proposal and assure to it's compliance with Article 14-4 of the Securities and Exchange Act and Company Act No. 219 as well.

Test Rite International Co., Ltd.
Chairman of the Audit Committee : Lai, Yung Chi

March 23, 2022

TEST RITE International Co., Ltd.
Regulations of Repurchased Shares Transferred to Employees
Reference Table for Revised Clauses

Revised clause	Original clause	Basis and reasons for revision
Article 2 The shares to be transferred to the employees shall be common shares and bear the same rights and obligations as other outstanding common shares, <u>except that employees are restricted from being transferred within one year from the date of delivery of the shares</u>, and otherwise provided for in laws and regulations concerned and the Regulations.	Article 2 The shares to be transferred to the employees shall be common shares and bear the same ~~rights and obligations~~ as other outstanding common shares unless otherwise provided for in laws and regulations concerned and the Regulations.	Revision is made in accordance with regulatory and needs of commercial practice.
Article 4 On the base date for subscription, all existing employees of the company and <u>any full-time employee of the Company's domestic and foreign subsidiaries that directly or indirectly hold more than 50% of the voting shares</u> are qualified for subscription to the number of shares set forth in Article 5 of the regulations upon approval of the board of directors.	Article 4 On the base date for subscription, all existing employees of the company ~~and employees of the company's controlled or subordinate companies at home and abroad who meet certain~~ conditions are qualified for subscription to the number of shares set forth in Article 5 of the regulations upon approval of the board of directors ~~(According to No. 1070121068 by the Financial Supervisory Commission of the Executive Yuan on December 27, 2018).~~	Revision is made in accordance with regulatory and needs of commercial practice.
Article 7 The transfer of repurchased shares to employees <u>shall be higher than the actual average repurchase price or based on the actual average repurchase price (hereinafter referred to as "average price") as the agreed transfer price per share. The calculated transfer price is calculated by rounding up to to one decimal place.</u> <u>If the closing price of the Company's shares on the trading day prior to the resolution of the Board of Directors for the share repurchase is higher than the average price, the Board of Directors shall, on the basis of considerations such as shareholders' equity or cost of capital, use 85% of the closing price on the previous trading day of the Board meeting as the agreed transfer price per share; however, if the board of directors decides to pass the transfer of the employee list, when eighty-five percent of the closing price of the company's stock is lower than the average price, the average price will be the transfer price.</u>	Article 7 Shares bought back at this instance shall be sold to employees at the average of buyback price. However if the Company's common shares issued and outstanding increase or decrease prior to the transfer, the transfer price will be adjusted within the percentage of increase/decrease of shares issued and outstanding. Formula for transfer price adjustment: Adjusted transfer price = average actual repurchase price per share × (total number of common stock shares after the repurchase has been executed by TR ÷ total number of common stock shares prior to TR's transfer of the repurchased shares to employees)	Revision is made in accordance with regulatory and needs of commercial practice.

When the average price is used as the transfer price, if the Company's common shares issued and outstanding increase or decrease prior to the transfer, the transfer price will be adjusted within the percentage of increase/decrease of shares issued and outstanding before the transfer. Formula for transfer price adjustment: Adjusted transfer price = average actual repurchase price per share × (total number of common stock shares after the repurchase has been executed by TR ÷ total number of common stock shares prior to TR's transfer of the repurchased shares to employees)		
Article 10 These Rules of Transfer Shares to employees were adopted on September 14, 2000. The first amendment was made on October 6, 2000. The second amendment was made on August 14, 2003. The third amendment was made on June 9, 2006. The fourth amendment was made on July 19, 2007. The fifth amendment was made on October 9, 2008. The sixth amendment was made on April 28, 2010. The seventh amendment was made on January 4, 2011. The eighth amendment was made on November 11, 2011. The ninth amendment was made on July 27, 2012. The tenth amendment was made on April 24, 2019. The eleventh amendment was made on May 13, 2019. <u>The twelfth amendment was made on Nov 10, 2021.</u>	Article 10 These Rules of Transfer Shares to employees were adopted on September 14, 2000. The first amendment was made on October 6, 2000. The second amendment was made on August 14, 2003. The third amendment was made on June 9, 2006. The fourth amendment was made on July 19, 2007. The fifth amendment was made on October 9, 2008. The sixth amendment was made on April 28, 2010. The seventh amendment was made on January 4, 2011. The eighth amendment was made on November 11, 2011. The ninth amendment was made on July 27, 2012. The tenth amendment was made on April 24, 2019. The eleventh amendment was made on May 13, 2019.	Date of amendment added.



Annex 4

Test-Rite International Co., Ltd.

**Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report**



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Test-Rite International Co., Ltd.

Opinion

We have audited the accompanying financial statements of Test-Rite International Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements for the year ended December 31, 2021 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's financial statements for the year ended December 31, 2021 is described as follows:

Occurrence of Sales Revenue

The Company's main source of revenues comes from export sales, in which the level of revenue generated by the export sales to one major customer is significant to the financial statements. We therefore considered the occurrence of sales revenue from this major customer as a key audit matter for the year ended December 31, 2021.

Our audit procedures performed in response to the occurrence of sales revenue were as follows:

1. We understood the internal controls related to the occurrence of sales revenue, evaluated the design of the key controls, determined whether the controls have been implemented and tested the operating effectiveness of the controls.
2. We selected samples and tested sales revenue items from this major customer to ensure the validity of transactions.
3. We obtained the confirmation regarding the ending balance of accounts receivable and performed tests of subsequent collections from this major customer to verify the occurrence of the transactions.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partners on the audits resulting in this independent auditors' report are Chi-Ming Hsu and Ming-Yu Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2022

Notice to Readers

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

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



TEST-RITE INTERNATIONAL CO., LTD.

BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 87,351	-	\$ 337,988	2
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	107,638	1	340,215	2
Notes receivable (Notes 4 and 8)	18	-	15	-
Notes receivable - related parties (Note 4)	-	-	193	-
Trade receivables (Notes 4 and 8)	2,359,575	12	2,446,839	12
Trade receivables - related parties (Notes 4 and 24)	5,189,884	26	3,823,816	19
Finance lease receivables (Note 24)	400,304	2	392,159	2
Other receivables (Notes 4, 8 and 24)	208,539	1	365,256	2
Inventories (Notes 4 and 10)	-	-	227	-
Prepayments	39,846	-	220,624	1
Other current financial assets	16,479	-	282,082	1
Other current assets	<u>1</u>	-	<u>-</u>	-
Total current assets	<u>8,409,635</u>	<u>42</u>	<u>8,209,414</u>	<u>41</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current	-	-	47,925	-
Investments accounted for using the equity method (Notes 4 and 9)	9,756,260	48	9,309,729	47
Property, plant and equipment (Notes 4 and 12)	687,641	3	689,642	3
Right-of-use assets (Notes 4 and 13)	126,569	1	184,402	1
Other intangible assets (Notes 4 and 14)	36,259	-	46,804	-
Deferred tax assets (Notes 4 and 21)	980,105	5	998,301	5
Finance lease receivables - non-current	-	-	400,662	2
Refundable deposits (Note 24)	142,978	1	145,290	1
Other non-current assets	<u>1,912</u>	-	<u>1,912</u>	-
Total non-current assets	<u>11,731,724</u>	<u>58</u>	<u>11,824,667</u>	<u>59</u>
TOTAL	<u>\$ 20,141,359</u>	<u>100</u>	<u>\$ 20,034,081</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	\$ 222,080	1	\$ -	-
Short-term bills payable	-	-	299,890	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	93,663	-	-	-
Trade payables (Note 24)	4,945,694	25	5,593,174	28
Other payables (Notes 4, 16 and 24)	998,997	5	834,989	4
Current tax liabilities (Note 4)	258,175	1	195,256	1
Lease liabilities - current (Notes 4, 13 and 24)	373,430	2	364,563	2
Current portion of long-term borrowings (Note 15)	188,571	1	-	-
Other current liabilities	<u>11,502</u>	-	<u>8,469</u>	-
Total current liabilities	<u>7,092,112</u>	<u>35</u>	<u>7,296,341</u>	<u>36</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 15)	6,156,469	31	5,621,692	28
Lease liabilities - non-current (Notes 4, 13 and 24)	42,273	-	390,687	2
Net defined benefit liabilities - non-current (Notes 4 and 17)	30,394	-	87,130	1
Guarantee deposits received	<u>75</u>	-	<u>75</u>	-
Total non-current liabilities	<u>6,229,211</u>	<u>31</u>	<u>6,099,584</u>	<u>31</u>
Total liabilities	<u>13,321,323</u>	<u>66</u>	<u>13,395,925</u>	<u>67</u>
EQUITY (Note 18)				
Share capital				
Ordinary shares	<u>5,098,875</u>	<u>25</u>	<u>5,098,875</u>	<u>25</u>
Capital surplus	<u>1,221</u>	-	<u>1,221</u>	-
Retain earnings				
Legal reserve	1,316,941	7	1,237,689	6
Special reserve	496,556	2	317,663	2
Unappropriated earnings	<u>785,148</u>	<u>4</u>	<u>792,520</u>	<u>4</u>
Total retain earnings	<u>2,598,645</u>	<u>13</u>	<u>2,347,872</u>	<u>12</u>
Other equity	<u>(565,449)</u>	<u>(3)</u>	<u>(496,556)</u>	<u>(2)</u>
Treasury shares	<u>(313,256)</u>	<u>(1)</u>	<u>(313,256)</u>	<u>(2)</u>
Total equity	<u>6,820,036</u>	<u>34</u>	<u>6,638,156</u>	<u>33</u>
TOTAL	<u>\$ 20,141,359</u>	<u>100</u>	<u>\$ 20,034,081</u>	<u>100</u>

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



TEST-RITE INTERNATIONAL CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 24)	\$ 22,887,751	100	\$ 20,219,161	100
OPERATING COSTS (Note 24)	<u>19,911,299</u>	<u>87</u>	<u>16,945,909</u>	<u>84</u>
GROSS PROFIT	2,976,452	13	3,273,252	16
UNREALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES	<u>(20,236)</u>	<u>-</u>	<u>(74,741)</u>	<u>-</u>
REALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES	<u>74,741</u>	<u>-</u>	<u>-</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>3,030,957</u>	<u>13</u>	<u>3,198,511</u>	<u>16</u>
OPERATING EXPENSES (Note 24)				
Selling and marketing expenses	2,434,024	11	2,209,980	11
General and administrative expenses	507,314	2	537,032	3
Expected credit loss	<u>379</u>	<u>-</u>	<u>460</u>	<u>-</u>
Total operating expenses	<u>2,941,717</u>	<u>13</u>	<u>2,747,472</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>89,240</u>	<u>-</u>	<u>451,039</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Notes 20 and 24)				
Interest income	15,087	-	23,546	-
Other income	52,119	-	39,083	-
Other gains and losses	341,437	2	222,415	1
Interest expense	(75,232)	-	(113,635)	-
Share of gain (loss) of subsidiaries (Notes 4 and 10)	<u>491,182</u>	<u>2</u>	<u>243,165</u>	<u>1</u>
Total non-operating income and expenses	<u>824,593</u>	<u>4</u>	<u>414,574</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	913,833	4	865,613	4
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(130,999)</u>	<u>(1)</u>	<u>(73,998)</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>782,834</u>	<u>3</u>	<u>791,615</u>	<u>4</u>
OTHER COMPREHENSIVE LOSS				

(Continued)



TEST-RITE INTERNATIONAL CO., LTD.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2021		2020	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	1,040	-	(1,979)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	1,385	-	(1,047)	-
Share of other comprehensive gain (loss) of subsidiaries	19,934	-	(9,692)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(93,041)</u>	<u>-</u>	<u>(86,028)</u>	<u>(1)</u>
Other comprehensive loss for the year, net of income tax	<u>(70,682)</u>	<u>-</u>	<u>(98,746)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 712,152</u>	<u>3</u>	<u>\$ 692,869</u>	<u>3</u>
EARNINGS PER SHARE (Notes 4 and 22)				
Basic	<u>\$ 1.58</u>		<u>\$ 1.60</u>	
Diluted	<u>\$ 1.58</u>		<u>\$ 1.60</u>	

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

(Concluded)



TEST-RITE INTERNATIONAL CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Share (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Other Equity Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total
BALANCE AT JANUARY 1, 2020	509,888	\$ 5,098,875	\$ 353,084	\$ 1,229,705	\$ 241,414	\$ 84,233	\$ (367,061)	\$ (29,844)	\$ (313,256)	\$ 6,297,150
Appropriation of 2019 earnings (Note 18)										
Legal reserve	-	-	-	7,984	-	(7,984)	-	-	-	-
Special reserve	-	-	-	-	76,249	(76,249)	-	-	-	-
Cash dividends from capital surplus (Note 18)	-	-	(351,863)	-	-	-	-	-	-	(351,863)
Net profit for the year ended December 31, 2020	-	-	-	-	-	791,615	-	-	-	791,615
Other comprehensive loss for the year ended December 31, 2020	-	-	-	-	-	(10,156)	(86,028)	(2,562)	-	(98,746)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	781,459	(86,028)	(2,562)	-	692,869
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	11,061	-	(11,061)	-	-
BALANCE AT DECEMBER 31, 2020	509,888	5,098,875	1,221	1,237,689	317,663	792,520	(453,089)	(43,467)	(313,256)	6,638,156
Appropriation of 2020 earnings (Note 18)										
Legal reserve	-	-	-	79,252	-	(79,252)	-	-	-	-
Special reserve	-	-	-	-	178,893	(178,893)	-	-	-	-
Cash dividends	-	-	-	-	-	(530,272)	-	-	-	(530,272)
Net profit for the year ended December 31, 2021	-	-	-	-	-	782,834	-	-	-	782,834
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	8,934	(93,041)	13,425	-	(70,682)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	791,768	(93,041)	13,425	-	712,152
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(10,723)	-	10,723	-	-
BALANCE AT DECEMBER 31, 2021	<u>509,888</u>	<u>\$ 5,098,875</u>	<u>\$ 1,221</u>	<u>\$ 1,316,941</u>	<u>\$ 496,556</u>	<u>\$ 785,148</u>	<u>\$ (546,130)</u>	<u>\$ (19,319)</u>	<u>\$ (313,256)</u>	<u>\$ 6,820,036</u>

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



TEST-RITE INTERNATIONAL CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 913,833	\$ 865,613
Adjustments for:		
Depreciation expense	128,577	133,442
Amortization expense	12,316	12,942
Expected credit loss recognized on trade receivables	379	460
Net loss (gain) on fair value change of financial assets and liabilities designated as at fair value through profit or loss	367,380	(242,621)
Interest expense	75,232	113,635
Interest income	(15,087)	(23,546)
Dividend income	(1,736)	(2,488)
Share of gain of subsidiaries	(491,182)	(243,165)
Loss on disposal and impairment of property, plant and equipment	-	1
Gain on disposal of investments	(19,279)	(9,114)
Unrealized gain on the transactions with subsidiaries	20,236	74,741
Realized gain on the transactions with subsidiaries	(74,741)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(21,861)	(60,088)
Notes receivable	(3)	169
Notes receivable from related parties	193	(193)
Trade receivables	86,885	(568,080)
Trade receivables from related parties	(1,366,068)	(996,233)
Other receivables	156,546	111,536
Inventories	227	2,587
Prepayments	180,778	(58,859)
Other current assets	(1)	3
Other financial assets	265,603	(281,914)
Other operating assets	1,568	(1)
Trade payables	(647,480)	2,351,130
Other payables	163,888	443,510
Other current liabilities	3,033	(9,200)
Net defined benefit liabilities	(55,696)	675
Cash generated from (used in) operations	(316,460)	1,614,942
Interest received	15,258	23,314
Dividend received from subsidiaries	185,335	230,829
Interest paid	(74,878)	(114,108)
Income tax paid	(49,884)	(458)
Net cash (used in) generated from operating activities	(240,629)	1,754,519
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(137,345)	(132,686)

(Continued)



TEST-RITE INTERNATIONAL CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Disposals of financial assets at fair value through other comprehensive income	186,655	83,714
Purchase of investments accounted for using the equity method	(157,550)	(1,201,178)
Disposals of investments in subsidiaries accounted for using the equity method	-	4,537
Cash capital reduction of subsidiaries	-	100,000
Purchase of property, plant and equipment	(42,818)	(25,211)
Proceeds from disposal of property, plant and equipment	-	28
Decrease (increase) in refundable deposits	2,312	(457)
Purchase of intangible assets	(1,664)	(7,311)
Decrease in finance lease receivables	<u>392,041</u>	<u>383,801</u>
Net cash generated from (used in) investing activities	<u>241,631</u>	<u>(794,763)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	222,080	-
Proceeds from short-term bills payable	(299,890)	299,890
Proceeds from long-term borrowings	16,094,538	16,103,112
Repayments of long-term borrowings	(15,371,190)	(16,437,495)
Increase in guarantee deposits received	-	15
Repayment of the principal portion of lease liabilities	(366,905)	(363,389)
Dividends paid	<u>(530,272)</u>	<u>(351,863)</u>
Net cash used in financing activities	<u>(251,639)</u>	<u>(749,730)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(250,637)	210,026
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>337,988</u>	<u>127,962</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 87,351</u>	<u>\$ 337,988</u>

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

(Concluded)

**Test-Rite International Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Test-Rite International Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Test-Rite International Co., Ltd. (the “Company”) and its subsidiaries (collectively referred as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, 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 audit of the consolidated financial statements for the year ended December 31, 2021 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is described as follows:

Existence of Sales Revenue

The Group's main source of revenues comes from export sales, in which the level of revenue generated by the export sales to one major customer is significant to the consolidated financial statements. We therefore considered that the existence of sales revenue from this major customer as a key audit matter for the year ended December 31, 2021.

Our audit procedures in response to the existence of sales revenue were as follows:

1. We understood the internal controls related to the occurrence of sales revenue, evaluated the design of the key controls, determined whether the controls have been implemented and tested the operating effectiveness of the controls.
2. We selected samples and tested sales revenue items from this major customer to ensure the validity of transactions.
3. We obtained the confirmation regarding the ending balance of accounts receivable and performed tests of subsequent collections from this major customer to verify the occurrence of transactions.

Other Matter

We have also audited the parent company only financial statements of Test-Rite International Co., Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chi-Ming Hsu and Ming-Yu Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2022

Notice to Readers

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

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

TEST-RITE INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,985,587	5	\$ 2,517,084	7
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	346,031	1	428,592	1
Financial assets at amortized cost - current (Notes 4 and 9)	94,774	-	91,954	-
Contract assets - current (Notes 4 and 21)	703,187	2	276,891	1
Notes receivable (Note 10)	12,560	-	9,730	-
Trade receivable (Notes 4, 10 and 27)	5,571,273	15	5,225,486	14
Finance lease receivables (Note 4)	22,139	-	18,318	-
Other receivables (Note 4)	296,618	1	475,347	1
Inventories (Notes 4 and 10)	8,080,424	21	6,181,976	16
Prepayments	454,634	1	684,073	2
Other current financial assets	18,688	-	315,117	1
Other current assets	<u>34,654</u>	<u>-</u>	<u>36,225</u>	<u>-</u>
Total current assets	<u>17,620,569</u>	<u>46</u>	<u>16,260,793</u>	<u>43</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	68,036	-	103,852	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	5,000	-	5,178	-
Investments accounted for using the equity method	3,481	-	-	-
Property, plant and equipment (Notes 4 and 13)	6,157,708	16	6,295,191	17
Right-of-use assets (Notes 4 and 14)	8,918,975	23	9,151,852	25
Goodwill (Note 15)	2,346,211	6	2,357,747	6
Other intangible assets (Note 16)	154,303	1	185,337	1
Deferred tax assets (Notes 4 and 23)	1,610,615	4	1,601,447	4
Refundable deposits (Notes 6 and 28)	1,080,017	3	1,212,234	3
Finance lease receivables - non-current	122,151	-	98,290	-
Other non-current assets (Notes 4 and 20)	<u>285,107</u>	<u>1</u>	<u>389,777</u>	<u>1</u>
Total non-current assets	<u>20,751,604</u>	<u>54</u>	<u>21,400,905</u>	<u>57</u>
TOTAL	<u>\$ 38,372,173</u>	<u>100</u>	<u>\$ 37,661,698</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 27)	\$ 1,608,880	4	\$ 932,185	3
Short-term bills payable (Notes 17 and 27)	89,885	-	399,848	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	93,663	-	42,367	-
Contract liabilities - current (Notes 4 and 21)	272,204	1	159,505	-
Notes payable	4,051	-	6,044	-
Trade payables (Note 27)	8,374,323	22	8,623,439	23
Other payables (Notes 18 and 27)	2,598,474	7	2,375,587	6
Current tax liabilities (Note 4)	411,823	1	261,780	1
Lease liabilities - current (Notes 4, 14 and 27)	1,470,500	4	2,011,177	5
Advance receipts	513,230	1	547,611	2
Current portion of long-term borrowings (Notes 17 and 27)	364,630	1	45,611	-
Other current liabilities (Note 18)	<u>165,470</u>	<u>1</u>	<u>160,643</u>	<u>-</u>
Total current liabilities	<u>15,967,133</u>	<u>42</u>	<u>15,565,797</u>	<u>41</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 27)	8,144,931	21	8,331,449	22
Deferred tax liabilities (Notes 4 and 23)	11,867	-	14,649	-
Lease liabilities - non-current (Notes 4, 14 and 27)	7,052,605	19	6,596,694	18
Net defined benefit liabilities - non-current (Notes 4 and 19)	83,251	-	159,755	-
Guarantee deposits received	92,828	-	165,925	1
Other non-current liabilities	<u>36,715</u>	<u>-</u>	<u>43,448</u>	<u>-</u>
Total non-current liabilities	<u>15,422,197</u>	<u>40</u>	<u>15,311,920</u>	<u>41</u>
Total liabilities	<u>31,389,330</u>	<u>82</u>	<u>30,877,717</u>	<u>82</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Share capital				
Ordinary shares	<u>5,098,875</u>	<u>13</u>	<u>5,098,875</u>	<u>14</u>
Capital surplus	<u>1,221</u>	<u>-</u>	<u>1,221</u>	<u>-</u>
Retain earnings				
Legal reserve	1,316,941	4	1,237,689	3
Special reserve	496,556	1	317,663	1
Unappropriated earnings	<u>785,148</u>	<u>2</u>	<u>792,520</u>	<u>2</u>
Total retain earnings	<u>2,598,645</u>	<u>7</u>	<u>2,347,872</u>	<u>6</u>
Other equity	<u>(565,449)</u>	<u>(1)</u>	<u>(496,556)</u>	<u>(1)</u>
Treasury shares	<u>(313,256)</u>	<u>(1)</u>	<u>(313,256)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	6,820,036	18	6,638,156	18
NON-CONTROLLING INTERESTS	<u>162,807</u>	<u>-</u>	<u>145,825</u>	<u>-</u>
Total equity	<u>6,982,843</u>	<u>18</u>	<u>6,783,981</u>	<u>18</u>
TOTAL	<u>\$ 38,372,173</u>	<u>100</u>	<u>\$ 37,661,698</u>	<u>100</u>

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

TEST-RITE INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 27)	\$ 43,757,358	100	\$ 41,790,703	100
OPERATING COSTS (Notes 10 and 27)	<u>33,050,940</u>	<u>75</u>	<u>31,129,873</u>	<u>74</u>
GROSS PROFIT	<u>10,706,418</u>	<u>25</u>	<u>10,660,830</u>	<u>26</u>
OPERATING EXPENSES				
Selling and marketing expenses	9,249,388	21	8,811,851	21
General and administrative expenses	689,150	2	695,084	2
Expected credit loss (gain)	<u>8,332</u>	<u>-</u>	<u>5,022</u>	<u>-</u>
Total operating expenses	<u>9,946,870</u>	<u>23</u>	<u>9,511,957</u>	<u>23</u>
PROFIT FROM OPERATIONS	<u>759,548</u>	<u>2</u>	<u>1,148,873</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	37,663	-	38,009	-
Other income	227,564	-	193,740	-
Other gains and losses	277,613	1	(79,016)	-
Financial costs	(290,863)	(1)	(342,968)	(1)
Share of loss of associates accounted for using the equity method	<u>(19)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>251,958</u>	<u>-</u>	<u>(190,235)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	1,011,506	2	958,638	2
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 23)	<u>(193,968)</u>	<u>-</u>	<u>(151,769)</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>817,538</u>	<u>2</u>	<u>806,869</u>	<u>2</u>
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	8,924	-	(10,240)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	13,425	-	(2,562)	-
Items that may be reclassified subsequently to profit or loss:				

(Continued)

TEST-RITE INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Exchange differences on translating the financial statements of foreign operations	<u>(93,056)</u>	<u>-</u>	<u>(86,028)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(70,707)</u>	<u>-</u>	<u>(98,830)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 746,831</u>	<u>2</u>	<u>\$ 708,039</u>	<u>2</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 782,834	2	\$ 791,615	2
Non-controlling interests	<u>34,704</u>	<u>-</u>	<u>15,254</u>	<u>-</u>
	<u>\$ 817,538</u>	<u>2</u>	<u>\$ 806,869</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 712,152	2	\$ 692,869	2
Non-controlling interests	<u>34,679</u>	<u>-</u>	<u>15,170</u>	<u>-</u>
	<u>\$ 746,831</u>	<u>2</u>	<u>\$ 708,039</u>	<u>2</u>
EARNINGS PER SHARE (Notes 4 and 24)				
Basic	<u>\$ 1.58</u>		<u>\$ 1.60</u>	
Diluted	<u>\$ 1.58</u>		<u>\$ 1.60</u>	

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

TEST-RITE INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Share (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	509,888	\$ 5,098,875	\$ 353,084	\$ 1,229,705	\$ 241,414	\$ 84,233	\$ (367,061)	\$ (29,844)	\$ (313,256)	\$ 6,297,150	\$ 139,497	\$ 6,436,647
Appropriation of 2019 earnings (Note 20)												
Legal reserve	-	-	-	7,984	-	(7,984)	-	-	-	-	-	-
Special reserve	-	-	-	-	76,249	(76,249)	-	-	-	-	-	-
Cash dividends from capital surplus (Note 20)	-	-	(351,863)	-	-	-	-	-	-	(351,863)	-	(351,863)
Cash dividend distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(18,957)	(18,957)
Net profit for the year ended December 31, 2020	-	-	-	-	-	791,615	-	-	-	791,615	15,254	806,869
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	(10,156)	(86,028)	(2,562)	-	(98,746)	(84)	(98,830)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	781,459	(86,028)	(2,562)	-	692,869	15,170	708,039
Increase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	10,115	10,115
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	11,061	-	(11,061)	-	-	-	-
BALANCE AT DECEMBER 31, 2020	509,888	5,098,875	1,221	1,237,689	317,663	792,520	(453,089)	(43,467)	(313,256)	6,638,156	145,825	6,783,981
Appropriation of 2020 earnings (Note 20)												
Legal reserve	-	-	-	79,252	-	(79,252)	-	-	-	-	-	-
Special reserve	-	-	-	-	178,893	(178,893)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(530,272)	-	-	-	(530,272)	-	(530,272)
Cash dividend distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(17,697)	(17,697)
Net profit for the year ended December 31, 2021	-	-	-	-	-	782,834	-	-	-	782,834	34,704	817,538
Other comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	8,934	(93,041)	13,425	-	(70,682)	(25)	(70,707)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	791,768	(93,041)	13,425	-	712,152	34,679	746,831
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(10,723)	-	10,723	-	-	-	-
BALANCE AT DECEMBER 31, 2021	<u>509,888</u>	<u>\$ 5,098,875</u>	<u>\$ 1,221</u>	<u>\$ 1,316,941</u>	<u>\$ 496,556</u>	<u>\$ 785,148</u>	<u>\$ (546,130)</u>	<u>\$ (19,319)</u>	<u>\$ (313,256)</u>	<u>\$ 6,820,036</u>	<u>\$ 162,807</u>	<u>\$ 6,982,843</u>

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

TEST-RITE INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,011,506	\$ 958,638
Adjustments for:		
Depreciation expense	2,187,164	2,407,598
Amortization expense	118,590	113,790
Expected credit loss (gain) recognized on trade receivables	8,332	5,022
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	273,915	(191,470)
Interest expense	290,863	342,968
Interest income	(37,663)	(38,009)
Share of loss of associates accounted for using the equity method	19	-
Loss on disposal and impairment of property, plant and equipment	36,469	14,815
Gain on disposal of investments	(24,216)	(16,932)
Impairment loss	-	59,922
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(115,842)	442,588
Contract assets	(426,296)	(59,929)
Notes receivable	(2,830)	41,977
Trade receivables	(353,406)	(1,064,953)
Other receivables	179,933	(372,982)
Inventories	(1,898,448)	231,557
Prepayments	230,594	(316,106)
Other current assets	1,571	(2,017)
Other financial assets	294,804	(266,099)
Other operating assets	45,505	(114,534)
Contract liabilities	112,699	87,439
Notes payable	(1,993)	(21,527)
Trade payables	(249,116)	2,224,328
Other payables	216,077	757,720
Advance receipts	(34,381)	6,217
Other current liabilities	4,827	35,915
Other operating liabilities	(75,178)	(9,061)
Cash generated from operations	1,793,499	5,256,875
Interest received	36,459	37,509
Interest paid	(291,327)	(347,105)
Income tax paid	(54,250)	(34,631)
Net cash generated from operating activities	<u>1,484,381</u>	<u>4,912,648</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(20,500)	(89,348)
Proceeds from sale of financial assets at amortized cost	17,858	24,291

(Continued)

TEST-RITE INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Purchase of financial assets at fair value through other comprehensive income	(137,345)	(136,061)
Proceeds from sale of financial assets at fair value through other comprehensive income	186,655	83,714
Purchase of investments accounted for using the equity methods	(3,500)	-
Payments for property, plant and equipment	(408,418)	(410,814)
Proceeds from disposal of property, plant and equipment	881	7,214
Decrease in refundable deposits	132,217	10,844
Payments for intangible assets	(25,507)	(19,665)
Decrease in finance lease receivables	<u>(27,682)</u>	<u>18,286</u>
Net cash used in investing activities	<u>(285,341)</u>	<u>(511,539)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	736,695	(374,966)
Proceeds from (repayments of) short-term bills payable	(309,963)	349,870
Proceeds from long-term borrowings	22,224,187	20,630,512
Repayments of long-term borrowings	(22,155,372)	(21,752,972)
Decrease in guarantee deposits received	(73,097)	(43,337)
Dividends paid	(530,272)	(351,863)
Repayment of the principal portion of lease liabilities	(1,541,387)	(1,753,199)
Changes in non-controlling interests	<u>(17,722)</u>	<u>(8,842)</u>
Net cash used in financing activities	<u>(1,666,931)</u>	<u>(3,304,797)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(63,606)</u>	<u>(41,654)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(531,497)	1,054,658
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,517,084</u>	<u>1,462,426</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,985,587</u>	<u>\$ 2,517,084</u>

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

(Concluded)

Annex 5
**Test Rite International Co., Ltd
2021 Profits Distribution Table**

(NTD)

Item	Amonut	Notes
Beginning balance of retained earnings	4,102,284	
Net profit after tax(a)	782,834,350	
Plus : Adjusted retained earnings for Investments accounted for using equity method(b)	7,894,506	(*)
Plus : Remeasurement of defined benefit plans recognized in retained earnings (c)	1,040,158	(*)
Less : Disposal of investments in equity instruments designated as at FVTOCI and cumulative gain or loss was directly transferred to retained earnings (d)	(10,723,289)	
Net profit after tax add adjustments (e)	781,045,725	(a+b+c+d)
Less : Legal reserve appropriation(10%)	(78,104,572)	(e)*10%
Less : Special reserve appropriation	(68,892,770)	(**)
Earnings available for pay-out	638,150,667	
Allocation:		
Cash dividend	634,344,394	
Ending balance of retained earnings	3,806,273	
*The Company should set aside the special reserve in accordance with the article 41-1 of Securities and Exchange Act.		

Chairman: Judy Lee

GM: Judy Lee

Controller: Linda Lin

Annex 6

TEST RITE International Co., Ltd.
Procedures for Acquisition and Disposal of Assets
Reference Table for Revised Clauses

Revised clause	Original clause	Basis and reasons for revision
Article4-1 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: : 1~2(omitted) 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of their respective allied associations and</u> the following: 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.	Article4-1 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: : 1~2(omitted) 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When ~~examining~~ a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the ~~comprehensiveness, accuracy,~~ and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable ~~and accurate~~, and that they have complied with	Revision is made in accordance with regulatory.

Revised clause	Original clause	Basis and reasons for revision
	applicable laws and regulations.	
Article 6 The procedures for acquisition or disposal of real estate or equipment and right-of-use assets thereof to use assets 1 ~ 3(omitted) 4. The appraisal reports of real estate or equipment and right-of-use assets thereof to use assets. The company receive the real estate or equipment and rights. Except transactions with government institutions, contracting third parties to construct on land owned or rented by the Company, or acquisition of equipment for operation purpose, for acquisition or disposal of real estate or equipment by the Company whose amount reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report issued by a Professional Appraiser shall be obtained prior to the Date of the Event and the following provisions should be complied with : (1) ~ (2)(omitted) (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (omitted)	Article 6 The procedures for acquisition or disposal of real estate or equipment and right-of-use assets thereof to use assets 1 ~ 3(omitted) 4. The appraisal reports of real estate or equipment and right-of-use assets thereof to use assets. The company receive the real estate or equipment and rights. Except transactions with government institutions, contracting third parties to construct on land owned or rented by the Company, or acquisition of equipment for operation purpose, for acquisition or disposal of real estate or equipment by the Company whose amount reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report issued by a Professional Appraiser shall be obtained prior to the Date of the Event and the following provisions should be complied with : (1) ~ (2)(omitted) (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal ~~in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation ("ARDF")~~ and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (omitted)	Revision is made in accordance with regulatory.
Article 7 The procedures for acquisition or disposal of securities 1 ~ 3(omitted) 4. Appraisal report The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the	Article 7 The procedures for acquisition or disposal of securities 1 ~ 3(omitted) 4. Appraisal report The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial	Revision is made in accordance with regulatory.

Revised clause	Original clause	Basis and reasons for revision
issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. ~~If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.~~ This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	
Article 8 : The procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships. 1 ~ 3(omitted) 4. The appraisal reports of intangible assets or right-of-use assets thereof or memberships. (1) ~ (2)(omitted) (3) Except for transactions with government institutions, if the Company's acquisition or disposal of membership or intangible assets or right-of-use assets thereof or memberships reaches 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price shall be sought from certified public accountant prior to the Date of the Event.	Article 8 : The procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships. 1 ~ 3(omitted) 4. The appraisal reports of intangible assets or right-of-use assets thereof or memberships. (1) ~ (2)(omitted) (3) Except for transactions with government institutions, if the Company's acquisition or disposal of membership or intangible assets or right-of-use assets thereof or memberships reaches 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price shall be sought from certified public accountant prior to the Date of the Event. ~~Certified public accountant shall handle the matter in accordance with the provision of Auditing Standard No. 20 published by the ARDF.~~	Revision is made in accordance with regulatory.
Article 10 : Related Party Transactions 1. When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is	Article 10 : Related Party Transactions 1. When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms	Revision is made in accordance with regulatory.

Revised clause	Original clause	Basis and reasons for revision
appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall submit the related materials to the shareholders meeting for approval, and also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section. However, transactions between the Company and its subsidiaries or between its subsidiaries shall not be subject to this provision. (omitted) 2. Appraisal and Operating procedures When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the board of directors. (1)~(7)(omitted) The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 11 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and recognized by the shareholders meeting and Board of directors need not be counted toward the transaction amount. (omitted)	is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section. (omitted) 2. Appraisal and Operating procedures When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the board of directors. (1)~(7)(omitted) The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 11 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and recognized by the Board of directors need not be counted toward the transaction amount. (omitted)	
Article 11 : Public disclosure of information procedure 1.(Omitted) 2.Announce the filling item and standard 1~5(omitted) (6) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more	Article 11 : Public disclosure of information procedure 1.(Omitted) 2.Announce the filling item and standard 1~5(omitted) (6) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent	Revision is made in accordance with regulatory.

Revised clause	Original clause	Basis and reasons for revision
of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: a. Trading of domestic government bonds <u>or the foreign government bonds with a credit rating not lower than our country's sovereign rating.</u> b. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bond, or</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of Exchange-Traded Note</u> or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (omitted)	or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: a. Trading of domestic government bonds. b. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (omitted)	

Annex 7

**TEST RITE International Co., Ltd.
Articles of Incorporation
Reference Table for Revised Clauses**

Revised clause	Original clause	Basis and reasons for revision
Article 12 (1) (omitted) <u>The company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. In case a shareholders' meeting is proceeded via visual communication network, then the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</u>	Article 12 (1) (omitted)	Added is made in accordance with regulatory.
Article 34 The Articles of Incorporation were drawn up on July 24, 1978. (Omitted) The 42th revision was adopted on June 19, 2018. The 43th revision was adopted on June 20, 2019. <u>The 44th revision was adopted on June 15, 2022.</u>	Article 34 The Articles of Incorporation were drawn up on July 24, 1978. (Omitted) The 42th revision was adopted on June 19, 2018. The 43th revision was adopted on June 20, 2019.	Date of amendment added.

Annex 8

TEST RITE International Co., Ltd.
Rules and Procedure of Shareholders Meetings
Reference Table for Revised Clauses

Revised clause	Original clause	Basis and reasons for revision
Article 3 (Convening shareholders meetings and shareholders meeting notices) 1.(omitted) <u>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u> This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</u> In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. <u>1. This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u>	Article 3 (Convening shareholders meetings and shareholders meeting notices) 1.(omitted) This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as ~~being distributed on-site at the meeting place~~ The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act,	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.

Revised clause	Original clause	Basis and reasons for revision
<u>For physical shareholders meetings, to be distributed on-site at the meeting.</u> 2. <u>For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u> 3. <u>For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u> The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors , amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. (omitted)	Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. (omitted)	
Article 4 1.~3.(omitted) <u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u>	Article 4 1.~3.(omitted)	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
Article 5 (Principles determining the time and place of a shareholders meeting) 1.(omitted) <u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u>	Article 5 (Principles determining the time and place of a shareholders meeting) 1.(omitted)	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings
Article 6 (Preparation of documents such as the	Article 6 (Preparation of documents such as	To comply

Revised clause	Original clause	Basis and reasons for revision
attendance book) This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> 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 and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u> Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. 4. ~ 6. (omitted) <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u> <u>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u>	the attendance book) This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations 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 and a sufficient number of suitable personnel assigned to handle the registrations. ~~Shareholders and their proxies (collectively, "shareholders")~~ shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. 4. ~ 6. (omitted)	with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
<u>Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u> <u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u> 1. <u>How shareholders attend the virtual meeting</u>		To comply with the amendment of the Sample Template for XXX Co., Ltd.

Revised clause	Original clause	Basis and reasons for revision
and exercise their rights. 2. <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> A. <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u> B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u> C. <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> D. <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u> 3. <u>To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u>		Rules of Procedure for Shareholders Meetings.
Article 8 (Documentation of a shareholders meeting by audio or video) 1. ~ 2. (omitted) <u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u> <u>The information and audio and video recording</u>	Article 8 (Documentation of a shareholders meeting by audio or video) 1. ~ 2. (omitted)	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.

Revised clause	Original clause	Basis and reasons for revision
<u>in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u> <u>In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u>		
Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u> If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.</u> (omitted)	Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. (omitted)	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.

Revised clause	Original clause	Basis and reasons for revision
Article 11 (Shareholder speech) 1.～6. (omitted) <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>	Article 11 (Shareholder speech) 1.～6. (omitted)	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
Article 13 1.～3. (omitted) 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 <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business 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. 5.～8. (omitted) <u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u> <u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of</u>	Article 13 1.～3. (omitted) 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 this Corporation, by the same means by which the voting rights were exercised, before 2 business 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. 5.～8. (omitted)	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.

Revised clause	Original clause	Basis and reasons for revision
<u>votes and elections shall be announced immediately.</u> <u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide 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.</u> <u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u>		
Article 15 1. ~ 3. (omitted) <u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u> <u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u>	Article 15 1. ~ 3. (omitted)	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
Article 16(Public disclosure) On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies <u>and the number of shares represented by shareholders attending the meeting by</u>	Article 16(Public disclosure) On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place	To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of

Revised clause	Original clause	Basis and reasons for revision
<u>correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u> <u>During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> (omitted)	of the shareholders meeting. (omitted)	Procedure for Shareholders Meetings.
<u>Article 19 (Disclosure of information at virtual meetings)</u> <u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>		To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
<u>Article 20(Location of the chair and secretary of virtual-only shareholders meeting)</u> <u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>		To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
<u>Article 21 (Handling of disconnection)</u> <u>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall</u>		To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure

Revised clause	Original clause	Basis and reasons for revision
<u>also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, 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. For a meeting to be 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.</u> <u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders 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.</u> <u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u> <u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, 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 not postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting</u>		for Shareholders Meetings.

Revised clause	Original clause	Basis and reasons for revision
<u>should continue as in the preceding paragraph, the shares represented by shareholders 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.</u> <u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u>		
<u>Article 22 (Handling of digital divide)</u> <u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>		To comply with the amendment of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings
<u>Article 23</u> These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.	Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.	Amendment Article Number.

Appendix 1

Test Rite International Co., Ltd. Current Shareholdings of Directors

Record Date: April 17, 2022

Title	Title Shareholding Name	The minimum number of shares	Number of shares	
			Shares	Total
Chairman	Ms. Lee, Judy	16,316,402	32,911,294	66,696,423
Director	Mr. Ho, Tony		31,795,550	
Directors	Ms. Ho, Robin		1,989,579	
Independent Director	Mr. Lai, Yung Chi		0	
Independent Director	Mr. Liu, Ting-Yang		0	
Independent Director	Mr. Huang, Hsin Hsien		0	
Independent Director	Mr. Li, I-Chuan		0	

Notes :

1. As of the April 17, 2022, the Company's paid-in capital is 5,098,875,580 ; the number of outstanding shares is 495,581,558.
2. The tenure of directors is from Aug 27, 2021 to on Aug 26, 2024.

* According to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies: Where the paid-in capital of the company is more than NT\$4 billion but NT\$10 billion or less, the total registered shares owned by all directors shall not be less than four percent of the total issued shares; the total registered shares owned by all supervisors shall not be less than 0.4 percent of the total issued shares. If a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent.

Appendix 2**Other Matters-Details of Shareholder Proposal at Shareholders' Meeting**

Note :

1. According to Company Act No. 172, Shareholders who hold more than 1% can submit only ONE written shareholder proposal that is 300 characters or less.
2. Written submission of shareholder proposals must be submitted between the dates of April 8, 2022 and April 18, 2022. The Company has posted information regarding shareholder proposals on the Market Observation Post System (MOPS) as required by regulation.
3. The company has not yet to receive any written submission of shareholder proposals.