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Bestec Power Electronics Co., Ltd.

2023 Annual General Meeting Proceedings Manual

Date: June 20, 2023 at 9:00 am

**Address: 1st Floor, No. 69, Keji 1st Road, Huaya Science and Technology
Park, Guishan District, Taoyuan City**

Convocation method : Entity shareholder meeting

Note : If the English version of the manual is different from the Chinese version, the Chinese version shall prevail.

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Bestec Power Electronics Co., Ltd.

Procedures for the 2023 Shareholders' Ordinary Meeting

- I · Announcing the meeting (reporting the number of shares attended the shareholders meeting)
- II · Reporting matters
- III · Acknowledgments
- IV · Discussion items
- VI · Provisional motion
- VII · Break up the meeting

Bestec Power Electronics Co., Ltd.

2023 Shareholders' Regular Meeting Agenda

Convocation method : Entity shareholder meeting

Date : June 20, 2023 (Tuesday) at 9:00am

Address : 1st Floor, No. 69, Keji 1st Road, Huaya Science and Technology Park, Guishan District, Taoyuan City

I 、 Announcing the meeting (reporting the number of shares attended the shareholders meeting)

II 、 Speech by the Chairman

III 、 Reporting matters

First case : 2022 Annual Business Report.

Sencond case : 2022 Audit Committee Review Report.

Third case : In 2021, handle the report on the implementation of the capital reduction and sound business plan.

IV 、 Acknowledgments

First case : 2022 Annual Business Report and Financial Statements ◦

Sencond case : 2022 Annual Loss Appropriation Proposal.

VI 、 Discussion items

First case : The company plans to handle the case of reducing capital to make up for losses.

Sencond case : The company intends to handle the cash capital reduction case.

VII 、 Provisional motion

VIII 、 Break up the meeting

《Reporting matters》

First Case

Cause of action : 2022 Annual Business Report.

Explanation : The company's 2022 annual business report. (Please refer to pages 08 to 10 of this brochure, Annex 1).

Second Case

Cause of action : 2022 Audit Committee Review Report.

Explanation : 2022 Audit Committee Audit Report. (Please refer to page 11 of this brochure, Annex 2).

Third Case

Cause of action : In 2021, report on the implementation of capital reduction and sound business plan.

Explanation :

- (1) It shall be handled according to the letter No. 1100001063 of the Securities Investors and Futures Traders Protection Center of the Foundation.
- (2) The resolution of the company's regular meeting of shareholders on August 27, 2021 to reduce capital to make up for losses has been reported by the Taiwan Stock Exchange Co., Ltd. on October 22, 2021, Taiwan Zhengshangyizi No. 1101805724 and became effective. According to the letter, the company should report the implementation of the sound business plan to the board of directors for control and report to the shareholders' meeting on a quarterly basis.
- (3) The 2022 implementation of the capital reduction and sound operation plan is as follows:

Unit : NTD

Accounting subjects	2022 Forecast	2022 Actual	Difference	Achievement rate
Operating income	578,625	407,370	(171,255)	70.40%
Operating cost	491,831	312,323	(179,508)	63.50%
Operating gross (loss) profit	86,794	95,047	(8,253)	109.51%
Operating expenses	75,221	50,459	(24,762)	67.08%
Operating profit (loss)	11,573	44,588	33,015	385.28%

《Acknowledgments》

First case Proposal of Board of Directors

Cause of action : The 2022 annual business report and financial statements are submitted for approval.

Explanation :

1. The company's 2022 individual financial statements and consolidated financial statements have been audited and completed by accountants Jian Mingyan and Huang Xiuchun from Deloitte United Accounting Firm. And the business report has been submitted to the Audit Committee for review.
2. Business report, accountant audit report and the above-mentioned financial statements (please refer to pages 07 to 09, pages 11 to 31, Annex 1 and Annex 3 of this manual).
3. Please acknowledge.

Resolution:

Second case Proposal of Board of Directors

Cause of action : The 2022 loss appropriation proposal is submitted for approval.

Explanation :

1. The company's 2022 annual loss appropriation form was approved by the board of directors on March 28, 2022.
2. 2022 loss appropriation form (please refer to page 32 of brochure, Annex 4).
3. Please acknowledge.

Resolution:

《Discussion items》

First case Proposal of Board of Directors

Cause of action : The company intends to handle the case of reducing capital to make up for losses and submit a resolution.

Explanation :

1. In order to strengthen the financial structure and increase the net value per share, the company plans to handle the case of capital reduction to make up for losses.
2. Amount and ratio of compensation for capital reduction:
It is planned to reduce capital by NT\$5,632,360 to make up for losses. Counting the cancellation of 563,236 issued shares, the capital reduction ratio is 0.796836%. Based on the number of outstanding shares of 70,684,026 shares as the calculation basis, the shares will be eliminated according to the shareholding ratio recorded in the shareholder list on the base date of capital reduction and share exchange. That is, 7.96836 shares are sold out for every thousand shares (that is, about 992.03164 shares are exchanged for every thousand shares). After the capital reduction, the odds and odds shares less than one share may be registered with the company's stock affairs agency from five days before the closing date of the account transfer closure for capital reduction to issuance. If it is not assembled or if it is still less than one share after the assembly, it will be converted into cash according to the face value (to offset the transfer fee or non-entity registration fee), and the calculation will be up to yuan (round down below yuan). And authorize the chairman to contact a specific person to purchase at face value.
3. After the capital reduction, the paid-in capital is NTD701,207,900, the face value of each share is NT\$10, and the issued shares are 70,120,790 shares.
4. This capital reduction for new shares is planned to be issued without entity, and its rights and obligations are the same as those of the original shares. After the resolution of the general meeting of shareholders is submitted and the competent authority declares it to be effective, the chairman is authorized to determine the base date of capital reduction and the base date of capital reduction for stock issuance and other related matters.
5. If there is a change in the company's share capital in the future, which affects the number of outstanding shares, it is necessary to adjust the capital reduction ratio. Or if this capital reduction proposal is revised by law or approved by the competent authority. Or it needs to be revised in response to other objective environmental changes, and it is proposed to submit to the shareholders' meeting to authorize the chairman to handle it with full authority.
6. Please submit a resolution.

Resolution:

Second case Proposal of Board of Directors

Cause of action : The company intends to handle the cash capital reduction case and submit a resolution.

Explanation :

1. In order to adjust the capital structure and enhance shareholders' rights and interests, the company intends to reduce capital in cash and return part of the cash shares to shareholders.
2. Amount and ratio of cash reduction:
The cash capital reduction is calculated based on the number of shares in circulation after the capital reduction has made up for losses, and the proposed cash capital reduction is NT\$101,207,900. It is estimated that 10,120,790 shares will be reduced, and the cash capital reduction ratio will be 14.433365%. That is, 144.33365 shares will be sold out for every thousand shares (that is, about 855.66635 shares will be exchanged for every thousand shares). Shares reduced by shareholders will be refunded in cash at a par value of NT\$10 per share. After the capital reduction, the odds and odds shares less than one share may be registered with the company's stock affairs agency from five days before the closing date of the account transfer closure for capital reduction to issuance. If it is not assembled or if it is still less than one share after the assembly, it will be converted into cash according to the face value (to offset the transfer fee or non-entity registration fee), and the calculation will be up to yuan (round down below yuan). And authorize the chairman to contact a specific person to purchase at face value.
3. After cash capital reduction, the paid-in capital is NTD600,000,000, and the issued shares are 60,000,000 shares.
4. The cash capital reduction for new shares is planned to be issued without entity, and its rights and obligations are the same as those of the original shares. After the resolution of the general meeting of shareholders is submitted and the competent authority declares it to be effective, the chairman is authorized to determine the base date of capital reduction and the base date of capital reduction for stock issuance and other related matters.
5. If there is a change in the company's share capital in the future, which affects the number of outstanding shares, it is necessary to adjust the capital reduction ratio. Or if this capital reduction proposal needs to be amended due to the revision of laws or approval by the competent authority, or in response to other objective environmental changes, it is proposed to submit to the shareholders' meeting to authorize the chairman to handle it with full authority.
6. According to the letter of April 17, 2023 from the Securities Investors and Futures Traders Protection Center of the Foundation, the request for supplementary explanation is as follows:
 - (1) Reasons for this capital reduction:
As of December 31, 2022, the accumulated losses recorded in the accounts of the company are NT\$5,632,000. Because of losses for several years, no dividends have been paid. Since the second half of 2011, the

company has started to make profits. In order to repay the shareholders, the cash capital reduction will be carried out and the funds will be returned to the shareholders.

(2) Source of funds:

This cash capital reduction is based on the disposal of 100% of the company's 100% investment in the mainland subsidiary (Liande Electronics (Dongguan) Co., Ltd.) in 2011. Structural stability is not affected.

(3) Future fundraising situation:

The company has no plans to raise funds or distribute new shares for free in the year of the shareholders' meeting and in the coming year.

(4) Improve the business plan and implement the measures:

The company will continue to increase revenue and output value, increase long-term profit as the goal, and is committed to enriching working capital and improving financial structure. To enable the company to develop sustainably and safeguard shareholders' rights and interests. A sound business plan is described as follows:

A. Throttling measures:

Control and manage the relevant annual budgets, costs, and expenses of each department, in line with the management objectives of the annual plan and budget. Planning and controlling the execution and analysis related reports of each subsidiary's business plan. Achieve various cost control goals, continue to save expenses, and effectively control operating costs.

B. Organization adjustment:

The adjustment of organizational configuration will be based on operating conditions, organizational performance will be used as an assessment, and the per capita production capacity of equipment will be quantified to appropriately adjust staffing. And cooperate with the company's existing organizational model to strengthen company management and improve personnel efficiency.

C. In line with operational performance, control costs and expenses:

Strictly control the flow of cash receipts and payments to achieve financial balance. Business is primarily about revenue expansion, which is the key to open source. The cost control of the company's internal management is necessary to reduce expenditure. Be sure to pursue the cash flow balance of operating activities with the growth of revenue this year. In order to implement the effectiveness of a sound business plan and achieve financial and business performance in terms of operating capabilities, the company's management holds monthly business management meetings to conduct comparative analysis and management tracking for scheduled improvements in operational, financial and expense goals. And make necessary improvement and adjustment measures. Be sure to confirm the implementation progress of the plan to achieve the goal of continuous improvement of financial and business conditions and lean operational efficiency.

D. The company will continue to promote production automation to save labor costs. Use proper procurement management methods to reduce the cost of purchased materials. And adopt new management methods to accelerate product development and implement the company's marketing strategy. To enable sound business plan to be implemented.

(3) The effectiveness of the implementation of the sound business plan will be explained in the report of the 2024 shareholders meeting.

7. Please submit a resolution.

Resolution:

Provisional motion

Break up the meeting

Bestec Power Electronics Co., Ltd.
2022 Business Report

2022 Annual Business Summary

Impact of the COVID-19 epidemic in 2022 With the popularization of vaccines, countries are gradually relaxing epidemic prevention and control measures. People's lives around the world are gradually returning to normal. The demand for home office has decreased, and the terminal demand for computers, Netcom and other 3C products has declined. The company's operation is more difficult, which has affected the company's orders. As a result, the operating performance in the first half of 2022 was not good, and the profit showed a loss. But after the second half of the year, due to the efforts of all colleagues, the company's operation gradually came out of the bottom. Profit in the second half of 2022 has turned positive, and it will drive an after-tax surplus throughout 2022.

The net revenue in 2022 is NTD407,370,000 thousand, an increase of 17.36% over the previous year. In terms of operating gross profit, the operating gross profit in 2022 is NTD95,047 thousand, an increase of 223.64% over the previous year. In terms of net profit after tax, the net profit for 2022 is NTD19,508 thousand, and the after-tax profit per share is NTD0.27.

Bestec (Dongguan) Co., Ltd., which is indirectly held by the company with 100% equity, has gradually increased in salary costs in mainland China in recent years. In order to reduce the impact of rising salary costs and respond to the company's future business layout, on April 28, 2022, the board of directors resolved to sell 100% equity of Bestec (Dongguan) Co., Ltd. to Shenzhen Changjiang Connector Co., Ltd. The funds obtained will be used for the company's future new business and the establishment of new factories. At present, the transaction of disposing of Bestec (Dongguan) Co., Ltd. has been completed. At present, the company has continued to operate the original Bestec (Dongguan) Co., Ltd. power supply manufacturing and sales related business through another subsidiary. The company will continue to effectively use the funds obtained from this disposal of equity to create maximum benefits for shareholders.

(I) Business plan implementation results :

Unit: Thousands of NT dollars except for
earnings (losses) per share in NT dollars

Item	2022	2021	Ratio of change (%)
Net operating income	407,370	347,110	17.36%
Operating profit	95,047	29,368	223.64%
Net operating loss	44,588	(34,834)	-228.00%
Net loss before tax	68,988	(22,343)	-408.77%
Net income	19,508	(26,563)	-173.44%
Earnings per share	0.27	(0.37)	-172.97%

(II) Profitability Analysis :

Year	2022	2021
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ROA (%)		1.71	(1.28)
ROE (%)		2.86	(3.90)
Ratio of paid-in capital (%)	Net operating loss	6.31	(8.93)
	Net loss before tax	9.76	(6.23)
Profit rate (%)		4.79	(7.02)

(III) Research and Development Status

The company is mainly engaged in R&D, design, manufacturing and sales of switching power supply, switching DC power supply equipment system, DC power converter, uninterruptible power supply (UPS) and server power (Server Power). The main products are power converters and power supplies. The company's current largest source of revenue is the production of power converters. Its revenue accounts for about 90% of the overall revenue. And the main sales are mostly export. Locations are concentrated in Asian markets. Accounted for more than 80% of the overall revenue. Among them, power converter products are mainly used in various electronic products to convert external power sources into appropriate voltage and stable power sources. The scope of application is mainly consumer electronic products for people's livelihood, such as radios, TVs and communication equipment. In the near future, the company will continue to actively develop power converter products for printer power supplies, scanner power supplies, Netcom-related product power supplies, gaming machine power supplies, server power supplies, and other applications to enhance product structure diversification and product differentiation, and increase market share.

R & D Status :

Item \ Year	2022	2021
R & D costs (A)	6,395	13,013
Net operating income (B)	407,370	378,301
(A)/(B)	1.57%	3.44%

Product R&D Strategy

- A. Enhance the competitiveness of existing products, and actively develop environmentally friendly products that are light, small, energy-saving, and high-efficiency.
- B. Develop products that are competitive and in line with the future development trend of information and communication electronics products to meet customer needs.
- C. Strengthen the development of gaming power supplies, power supplies and power converters for Netcom and other communications, and actively explore other non-computer peripheral power supply markets.

Summary of 2022 Business Plan

(1) Operating policy

1. Deepen product line development to assist business in expanding the market.

2. Select strategic suppliers and centralize procurement to coordinate bargaining power and reduce material costs.
 3. Actively invest in the research and development of new products.
- (2) Operating objectives
1. Reduce the impact of rising wage costs and trade tariffs in China through production capacity transfer, product line expansion and continuous promotion of automation.
 2. Strengthen the ability to control the cost of raw materials, thereby improving the market competitiveness of the company's products and increasing the gross profit margin of the products.
 3. On the one hand, strengthen education and training to cultivate the professional ability of employees. On the one hand, recruit personnel with relevant product development experience. And adopt appropriate management measures to give full play to the professionalism of the company's employees. Actively invest in the research and development and production of new products, deepen the company's product line, and increase the company's profits.

The impact of the external competitive environment, regulatory environment and overall business environment.

Although the epidemic is under control in 2022, the impact of the new crown pneumonia will gradually recede. However, the increase in freight rates and the decrease in terminal demand have also affected the performance of the company. However, with the efforts of all colleagues in the company, the performance in the second half of 2022 will gradually recover. Although the annual operating policy and operating goals have not been achieved. In 2023, the company will continue to strengthen the ability to control the cost of raw materials. Continue to push automation. And strengthen the professional education and training of personnel. In order to reduce the cost of the company and strengthen the research and development capabilities. It is hoped that the company's product market competitiveness can be enhanced, the company's profits can be improved, employee benefits can be improved, and shareholders' interests can be increased.

Chairman:Chen Mingzhi General manager: Chen Mingzhi Accounting Officer: Ye Wenbin

Bestec Power Electronics Co., Ltd

Audit Committee Review Report

The 2022 individual financial report and consolidated financial report provided by the company's board of directors have been audited by Jian Mingyan and Huang Xiuchun accountants of Qinye Zhongxin United Accounting Firm, and issued an audit report, together with the business report and loss compensation proposal. The committee checked and found that there is no discrepancy. Please report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Sincerely,

2023 Shareholders' Ordinary Meeting of Bestec Power Electronics Co., Ltd

Bestec Power Electronics Co., Ltd

Audit Committee Convenor: Chen Qiulin

March 28, 2023

Independent accountant's audit report

To Bestec Power Electronics Co., Ltd.,

Audit Opinion

The consolidated balance sheet of Bestec Power Electronics Co., Ltd. and its subsidiary (hereinafter referred to as "the Bestec Electronics Group") as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the year ended December 31, 2022 and for the period from January 1, 2022 to December 31, 2022, as well as the accompanying notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited by our auditors.

Based on our audit, the aforementioned consolidated financial statements have been prepared in accordance with the Financial Reporting Standards for Issuers of Securities and Futures Commission and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretive Statements approved and promulgated by the Financial Supervisory Commission. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Bestec Electronics Group as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022 and for the period from January 1, 2022 to December 31, 2022 in accordance with the aforementioned accounting standards and principles.

Basis for opinion

We, as auditors, have conducted our audit work in accordance with the Regulations Governing the Audit Signatures of Certified Public Accountants and the Auditing Standards. Our responsibility as auditors under those standards is further explained in the auditor's responsibility section of our audit report on the consolidated financial statements. The personnel of the accounting firm to which this accountant belongs have maintained independence from Bestec Power Electronics Co., Ltd. in accordance with the ethical standards of the accounting profession, and fulfilled other responsibilities required by those standards. We believe that we have obtained adequate and appropriate audit evidence to form the basis of our audit opinion.

Key audit matters

The key audit matters refer to the matters that, based on the auditor's professional judgment, were of most significance in the audit of Bestec Power Electronics Co., Ltd.'s consolidated financial statements for the year ended December 31, 2022. These matters were addressed during the audit of the overall consolidated financial statements and in the formation of our opinion. We do not express our opinion on these matters separately.

The following are the key audit matters related to the consolidated financial statements of Bestec Power Electronics Co., Ltd. for the year ended December 31, 2022:

Sales revenue - sales revenue from a specific customer's authenticity

The net sales revenue of Bestec Power Electronics Co., Ltd. for the year ended December 31, 2022 was NTD 407,370 thousand, an increase of approximately 17.36% compared to NTD 347,110 thousand for the year ended December 31, 2021. Significant growth was observed in net sales revenue from a specific customer, which constitutes a significant portion of the overall net sales revenue. As a result, the authenticity of sales revenue from this specific customer was identified as a key audit matter. Sales revenue from specific customers in the year 2022 has significantly increased compared to the year 2021 and accounts for a significant portion of the net sales revenue, therefore the authenticity of the sales revenue from this specific customer is considered a key audit matter.

For accounting policies and relevant information disclosure related to revenue recognition, please refer to Note 12 and Note 22 of the consolidated financial statements.

The main audit procedures performed by the auditor in response to this key audit matter are as follows:

1. Understand the effectiveness of the main internal control system designs and implementation related to testing the authenticity of revenue recognition. Evaluate the appropriateness of the revenue recognition accounting policies adopted by management.
2. Selectively test original orders, shipping documents, and invoices to confirm the authenticity of the revenue recognition.
3. Review the collection data and the occurrence of post-sales returns and allowances to confirm if there are any abnormal circumstances.

Other Matters

Bestec Power Electronics Co., Ltd. has prepared individual financial reports for the years 111 and 110 of the Republic of China and obtained an unqualified opinion from our auditors for reference.

The responsibility of management and governance for the consolidated financial statements

The responsibility of the management is to prepare the consolidated financial statements in accordance with the Financial Reporting Standards for Issuers of Securities, International Financial Reporting Standards approved and issued by the Financial Supervisory Commission, and the interpretations and interpretations announcements that can be properly expressed, and to maintain the necessary internal controls related to the preparation of the consolidated financial statements to ensure that there are no material misstatements due to fraud or error in the consolidated financial statements.

In preparing the consolidated financial statements, the responsibility of the management also includes assessing the ability of the Bestec Electronics Group to continue operating, disclosing relevant matters, and adopting accounting bases for continued operations, unless the management intends to liquidate or discontinue the operations of the Bestec Power group, or there are no other viable alternatives except for liquidation or discontinuation.

The governance unit of the Bestec Power group (including the audit committee) is responsible for supervising the financial reporting process.

Responsibility of auditors in auditing the consolidated financial statements

The objective of our audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and may be material if, in the light of surrounding circumstances, the magnitude of the misstatement or misstatements, including the effects of undetected misstatements, would cause the consolidated financial statements to be misleading.

Our auditor exercised professional judgment and skepticism in accordance with the auditing standards. We also performed the following tasks:

1. We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or errors, designed and performed audit procedures according to those risks, and obtained audit evidence that can sufficiently and appropriately form the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain the necessary understanding of internal controls related to the audit, and design appropriate audit procedures based on the current situation. However, the purpose is not to express an opinion on the effectiveness of the internal controls of Bestec Electronics Group.
3. We evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, we conclude on the appropriateness of the management's use of the going concern basis of accounting and whether there are events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we believe that such significant uncertainties exist, the auditor shall alert the financial statement users in the audit report to pay attention to the related disclosures in the consolidated financial statements, or revise the audit opinion if such disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of this accountant's report. However, future events or

circumstances may arise that could lead to the loss of Bestec Electronics Group's ability to continue as a going concern.

5. We evaluated the overall presentation, structure and content of the consolidated financial statements (including the relevant notes), and whether the consolidated financial statements allow for the expression of relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group's audits and are responsible for our audit opinion.

We have communicated with those charged with governance regarding the planned scope and the timing of the audit as well as material audit findings (including significant internal control shortcomings identified in the audit).

We have also provided those charged with governance the statement that the personnel of our accounting firm subject to the requirements of independence have complied with the requirements of independence of the code of professional ethics of certified public accountants and communicate with those charged with governance relationships and other matters that may influence our independence (including related preventive measures).

The auditor has identified the key audit matters for the audit of the consolidated financial statements of Bestec Electronics Group for the year ended 2022 based on matters communicated with the governance unit. We described these matters in the accountant's report, unless the laws and regulations prohibit such disclosure or under rare condition that we decide not to communicate a given matter because the negative impact from such communication may override its public benefits under reasonable assumption.

Deloitte Taiwan

Accountant Jian-Ming Yan

Accountant Hsiu-Chun Huang

Approval Number from Financial
Supervisory Commission

Financial Supervisory Commission
Approval Number: JG-Yin-Zhuan-Zi
1000028068

Securities and Futures Bureau Approval
Number:

TCSC-Liu-Zi 0920123784

April 28, 2023

Bestec Power Electronics Co., Ltd. And Subsidiaries
Consolidated Balance Sheets
As of December 31, 2022 and 2021

Unit: NT\$ thousands

C o d e	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and Cash Equivalents (Note 4 and 6)	\$ 781,639	40	\$ 486,344	34
1110	Financial assets measured at fair value through profit or loss - current (Note 4 and 7)	76,029	4	100,879	7
1144	Financial assets measured at amortized cost - current (Note 4 and 8)	51,994	3	12,000	1
1170	Net accounts receivable (Note 4 and 9)	154,967	8	87,032	6
1200	Other receivables (Note 4 and 9)	4,875	-	2,753	-
1220	Current tax assets (Note 4 and 24)	182	-	252	-
1310	Net inventory (Note 4 and 10)	33,465	2	58,655	4
1320	Construction in progress inventory (refer to notes 4, 12, 18, and 30)	216,950	11	216,950	16
1460	Assets directly related to disposal groups held for sale (Note 11)	114,643	6	-	-
1470	Other current assets (Note 17)	<u>30,306</u>	<u>1</u>	<u>39,914</u>	<u>3</u>
11XX	Total Current Assets	<u>1,465,050</u>	<u>75</u>	<u>1,004,779</u>	<u>71</u>

Non-current assets

1600	Property, plant, and equipment (Note 4, 5, 14, 18 and 21)	470,681	24	381,646	27
1755	Right-of-Use Assets (Note 4 and 15)	-	-	18,854	1
1821	Intangible Assets (Note 4 and 16)	167	-	879	-
1840	Deferred tax assets (Note 4, 5 and 24)	1,758	-	1,884	-
1920	Deposits Received as Collateral (Note 4)	13,625	1	6,178	1
1975	Net defined benefit assets - non-current (Note 4 and 20)	7,370	-	6,004	-
1990	Other non-current assets (Note 17)	<u>-</u>	<u>-</u>	<u>706</u>	<u>-</u>
15XX	Total Non-Current Assets	<u>493,601</u>	<u>25</u>	<u>416,151</u>	<u>29</u>
1XXX	Total Assets	<u>\$ 1,958,651</u>	<u>100</u>	<u>\$ 1,420,930</u>	<u>100</u>
C o d e	Liability and equity				
	Current Liabilities				
2100	Short-term borrowings (Note 4, 14, 18 and 30)	\$ 184,000	9	\$ 184,000	13
2170	Accounts payable	154,212	8	138,638	10
2219	Other accounts payable (Note 4 and 19)	32,520	2	21,599	1
2230	Current income tax payable Note 4 and 24)	16,098	1	16,049	1
2322	Current portion of long-term loans payable (Note 4, 14, 18 and 30)	263,723	13	34,825	2
2399	Other current liabilities (Note 13 and 19)	<u>376,694</u>	<u>19</u>	<u>38,884</u>	<u>3</u>
21XX	Total current liabilities	<u>1,027,247</u>	<u>52</u>	<u>433,995</u>	<u>30</u>
	Non-current liabilities				
2540	Long-term borrowings (Note 4, 14, 18 and 30)	223,378	12	319,031	23
2570	Deferred income tax liabilities (Note 4, 5 and 24)	6,672	-	985	-
2645	Deposits for guarantee (Note 19)	<u>2,958</u>	<u>-</u>	<u>2,150</u>	<u>-</u>

25XX	Total non-current liabilities	<u>233,008</u>	<u>12</u>	<u>322,166</u>	<u>23</u>
2XXX	Total liabilities	<u>1,260,255</u>	<u>64</u>	<u>756,161</u>	<u>53</u>
Equity attributable to owners of the company (refer to notes 4, 21, 24, and 26)					
Capital stocks					
3110	Common Stock	<u>706,840</u>	<u>36</u>	<u>704,909</u>	<u>50</u>
Capital surplus					
3210	Share premium	877	-	272	-
3271	Employee stock options	<u>4,029</u>	<u>-</u>	<u>4,405</u>	<u>-</u>
3200	Total Capital Surplus	<u>4,906</u>	<u>-</u>	<u>4,677</u>	<u>-</u>
Accumulated losses					
3350	Accumulated deficits to be covered	(<u>5,632</u>)	<u>-</u>	(<u>26,388</u>)	(<u>2</u>)
Other equity					
3410	Exchange difference for conversion of financial statements of foreign operating institutions	(<u>7,702</u>)	<u>-</u>	(<u>18,421</u>)	(<u>1</u>)
31XX	Total equity attributable to owners of the company	698,412	36	664,777	47
36XX	Non-Controlling Interest (Note 13)	(<u>16</u>)	<u>-</u>	(<u>8</u>)	<u>-</u>
3XXX	Total equity	<u>698,396</u>	<u>36</u>	<u>664,769</u>	<u>47</u>
Total liabilities and equity		<u>\$ 1,958,651</u>	<u>100</u>	<u>\$ 1,420,930</u>	<u>100</u>

The attached notes are an integral part of this consolidated financial statements.

Chairman: Chen Mingzhi General Manager: Chen Mingzhi Chief Accounting Officer: Ye Wenbin

Bestec Power Electronics Co., Ltd. And Subsidiaries
Consolidated Statements of Comprehensive Income
from January 1 to December 31 in 2021 and 2022

Unit: NT\$ thousands, except
earnings (loss) per share in NT\$

Code		Year 2022		Year 2021	
		Amount	%	Amount	%
	Revenue from operations (Note 4 and 22)				
4110	Sales revenue	\$ 407,416	100	\$ 347,710	100
4170	Sales return	(4)	-	(10)	-
4190	Sales allowance	(42)	-	(590)	-
4000	Net operating income	407,370	100	347,110	100
5000	Operating cost (Note 4, 10, 14, 20 and 23)	(312,323)	(77)	(317,742)	(92)
5900	Operating gross profit	95,047	23	29,368	8
	Operating expenses (Note 4, 9, 14, 15, 16, 20, 23, 26 and 29)				
6100	Selling expenses	(626)	-	(6,005)	(1)
6200	Management expense	(43,438)	(11)	(45,184)	(13)
6300	Research and development expenses.	(6,395)	(1)	(13,013)	(4)
6000	Total operating expenses	(50,459)	(12)	(64,202)	(18)
6900	Operating Profit (loss)	44,588	11	(34,834)	(10)
	Non-operating income and expenses				
7100	Interest revenue (Note 4 and 23)	7,588	2	3,207	1
7130	Dividend income	381	-	96	-
7190	Other revenue (Note 14, 23 and 29)	18,458	4	22,518	6
7050	Finance costs (Note 18 and 23)	(11,771)	(3)	(9,578)	(3)

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C o d e		Year 2022		Year 2021	
		Amount	%	Amount	%
7235	Financial assets at fair value through profit or loss (losses)/ gains (Notes 4 and 7)	(\$ 7,230)	(2)	\$ 4,083	1
7590	Miscellaneous disbursements (Note 4)	(5,802)	(1)	(28)	-
7625	Loss on disposal of Investment (Note 4 and 13)	(9,129)	(2)	-	-
7630	Net exchange gain (loss) of foreign currency (Note 4 and 23)	<u>31,905</u>	<u>8</u>	(<u>7,807</u>)	(<u>2</u>)
7000	Total non-operating income and expenses	<u>24,400</u>	<u>6</u>	<u>12,491</u>	<u>3</u>
7900	Profit (loss) before tax	68,988	17	(22,343)	(7)
7950	Income tax (expenses) benefits (Note 4, 5 and 24)	(<u>15,662</u>)	(<u>4</u>)	<u>17,372</u>	<u>5</u>
8000	Current Net Profit (Loss) of Continuing Operation Unit	53,326	13	(4,971)	(2)
8100	Loss from discontinued operations (Note 4 and 11)	(<u>33,818</u>)	(<u>8</u>)	(<u>21,592</u>)	(<u>6</u>)
8200	Net income (loss) for the year	<u>19,508</u>	<u>5</u>	(<u>26,563</u>)	(<u>8</u>)
8310	Other comprehensive income Items not to be reclassified into profit or loss				
8311	Remeasurements of defined benefit pension plans (Note 4 and 20)	<u>1,240</u>	<u>-</u>	<u>217</u>	<u>-</u>
8360	Items may be subsequently reclassified to profit/loss				
8361	Exchange difference for conversion of financial statements of foreign operating institutions (Note 4 and 24)	13,399	3	(10,478)	(3)

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C o d e		Year 2022		Year 2021	
		Amount	%	Amount	%
8399	Income tax of items that may be reclassified (Note 4 and 24)	<u>(\$ 2,680)</u>	<u>-</u>	<u>\$ 2,095</u>	<u>1</u>
		<u>10,719</u>	<u>3</u>	<u>(8,383)</u>	<u>(2)</u>
8300	Net amount of other comprehensive income (loss) for the current year, after tax	<u>11,959</u>	<u>3</u>	<u>(8,166)</u>	<u>(2)</u>
8500	Total comprehensive income of the current year	<u>\$ 31,467</u>	<u>8</u>	<u>(\$ 34,729)</u>	<u>(10)</u>
	Net profit (loss) attributable to:				
8610	Owner of the company	\$ 19,516	5	(\$ 26,427)	(8)
8620	Non-control equity	<u>(8)</u>	<u>-</u>	<u>(136)</u>	<u>-</u>
8600		<u>\$ 19,508</u>	<u>5</u>	<u>(\$ 26,563)</u>	<u>(8)</u>
	Total comprehensive income attributable to:				
8710	Owner of the company	\$ 31,475	8	(\$ 34,593)	(10)
8720	Non-control equity	<u>(8)</u>	<u>-</u>	<u>(136)</u>	<u>-</u>
8700		<u>\$ 31,467</u>	<u>8</u>	<u>(\$ 34,729)</u>	<u>(10)</u>
	Earnings (loss) per share (Note 25)				
	From continuing and discontinued operations				
9750	Basic	<u>\$ 0.28</u>		<u>(\$ 0.38)</u>	
9850	Diluted	<u>\$ 0.27</u>		<u>(\$ 0.38)</u>	
	From continuing operations				
9710	Basic	<u>\$ 0.76</u>		<u>(\$ 0.07)</u>	
9810	Diluted	<u>\$ 0.75</u>		<u>(\$ 0.07)</u>	

The attached notes are an integral part of this consolidated financial statements.

Chairman: Chen Mingzhi Manager: Chen Mingzhi, Accounting Manager: Ye Wenbin

Bestec Power Electronics Co., Ltd. And Subsidiaries

Consolidated Statements of Changes in Equity

For the year ended December 31, 2022 and for the year ended January 1 to December 31, 2021

Unit: In thousands of New Taiwan dollars unless otherwise stated

E q u i t y A t t r i b u t a b l e t o t h e O w n e r s o f t h e C o m p a n y (N o t e 2 0)

Code		Share Capital		Capital surplus			Other equity	Total	Non-control equity	Total equity
		Number of shares (1000 shares)	Amount	Share premium	Employee stock options	Accumulated losses	Foreign currency translation adjustment Translation of Financial Statements of Foreign Operations Translation: Foreign Currency Translation Adjustment (Note 23)			
A1	January 1, 2021 balance	98,570	\$ 985,696	\$ 47	\$ 4,130	(\$ 280,787)	(\$ 10,038)	\$ 699,048	(\$ 50)	\$ 698,998
F1	Accumulated deficits to be covered by capital decrease	(28,079)	(280,787)	-	-	280,787	-	-	-	-
N1	Employee stock options issued by the company	-	-	-	500	-	-	500	-	500
G1	Cancellation of Employee Stock Options	-	-	225	(225)	-	-	-	-	-
M7	Changes in ownership interests of subsidiaries	-	-	-	-	(178)	-	(178)	-	(178)
	Change of Non-Controlling Interest	-	-	-	-	-	-	-	178	178

D1	Net loss in 2021	-	-	-	-	(26,427)	-	(26,427)	(136)	(26,563)
D3	Other comprehensive income after tax in 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217</u>	<u>(8,383)</u>	<u>(8,166)</u>	<u>-</u>	<u>(8,166)</u>
D5	Total comprehensive profit and loss in 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,210)</u>	<u>(8,383)</u>	<u>(34,593)</u>	<u>(136)</u>	<u>(34,729)</u>
Z1	December 31, 2021 balance	70,491	704,909	272	4,405	(26,388)	(18,421)	664,777	(8)	664,769
N1	Employee stock option exercise	193	1,931	562	(466)	-	-	2027	-	2,027
T1	Employee stock options issued by the company	-	-	-	133	-	-	133	-	133
G1	Cancellation of Employee Stock Options	-	-	43	(43)	-	-	-	-	-
D1	Net income in 2022	-	-	-	-	19,516	-	19,516	(8)	19,508
D3	Other comprehensive income after tax in 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,240</u>	<u>10,719</u>	<u>11,959</u>	<u>-</u>	<u>11,959</u>
D5	Total comprehensive profit and loss in 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,756</u>	<u>10,719</u>	<u>31,475</u>	<u>(8)</u>	<u>31,467</u>
Z1	December 31, 2022 balance	<u>70,684</u>	<u>\$ 706,840</u>	<u>\$ 877</u>	<u>\$ 4,029</u>	<u>(\$ 5,632)</u>	<u>(\$ 7,702)</u>	<u>\$ 698,412</u>	<u>(\$ 16)</u>	<u>\$ 698,396</u>

The attached notes are an integral part of this consolidated financial statements.

Chairman: Chen Mingzhi

General Manager: Chen Mingzhi

Accounting Manager: Ye Wenbin

Bestec Power Electronics Co., Ltd. And Subsidiaries
Consolidated Statements of Cash Flows

For the year ended December 31, 2022 and for the year ended January 1 to December 31, 2021

Unit: NT\$ thousands

<u>C o d e</u>		<u>Year 2022</u>	<u>Year 2021</u>
	Cash flows from operating activities		
A00010	Profit (loss) from continuing operations before income tax	\$ 68,988	(\$ 22,343)
A00020	Pre-tax net loss from discontinued operations	(33,818)	(21,592)
A10000	This year's profit (loss) before tax	35,170	(43,935)
A20010	Revenue, expense, and loss items		
A20100	Depreciation expenses	17,333	32,532
A20200	Amortization expense	712	904
A20300	Impairment loss of Expected credit turnover benefits	(1,350)	63
A20400	Net loss (gain) from financial assets at fair value through profit or loss	7,230	(4,083)
A20900	Finance costs	11,771	9578
A21200	Interest income	(7,716)	(3,330)
A21300	Dividend income	(381)	(96)
A21900	Share-based compensation cost for employee stock options	133	500
A22500	Income from disposal and write-off of property, plants, and equipment	(846)	-
A23200	Realized loss on disposal of Investment	(9,129)	-
A23800	Inventory impairment and obsolescence loss (recovery)	36	(32,051)
A24100	Net loss (profit) of foreign exchange differences	260	(36)
A29900	Receipts under custody	(17,383)	(8,309)
A29900	Contractual liabilities	(1,174)	(1,174)
A30000	Net Changes in Operating Assets and Liabilities		
A31115	Financial assets at fair value through profit or loss	17,620	31,208
A31150	Accounts receivable	(66,838)	(34,206)
A31180	Other receivables	(959)	254
A31200	Inventories	23787	11,195
A31240	Other Current Assets	9,609	(12,197)
A31990	Net defined benefit assets - non-current	(126)	(110)
A32150	Accounts payable	15,568	3,850
A32180	Other accounts payable	10,917	(6,217)
A32230	Other current liabilities	<u>347,293</u>	<u>20,719</u>
A33000	Operating cash inflows (outflows)	391,537	(34,941)
A33100	Interests received	6,474	3,353
A33200	Dividends received	325	201

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<u>C o d e</u>		<u>Year 2022</u>	<u>Year 2021</u>
A33300	Interest paid	(\$ 11,585)	(\$ 9,603)
A33500	Income taxes paid (refunded)	(12,648)	241
AAAA	Net cash inflows (outflows) from operating activities	<u>374,103</u>	(<u>40,749</u>)
	Cash flow from investing activities		
B00040	Obtain Financial Assets Measured at Amortized Cost	(39,994)	-
B00050	Disposal of Financial Assets Measured at Amortized Cost	-	3,000
B02700	Acquisition of property, plants, and equipment	(225,501)	(427)
B03800	Increase in guarantee deposits paid	(7,443)	(5,622)
B04500	Proceeds from disposition of property, plants, and equipment	26184	-
B07100	Decrease (increase) of prepayments for equipment	<u>538</u>	(<u>599</u>)
BBBB	Net cash outflows from investment activities	(<u>246,216</u>)	(<u>3,648</u>)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	814,000	-
C00200	Decrease in short-term borrowings	(814,000)	(20,000)
C01600	Borrowing of long-term loans	168,000	-
C01700	Payments of long-term borrowings	(34,755)	(37,423)
C03000	Increase (decrease) in deposits received as guarantees	942	(164)
C04800	Employee stock option	<u>2,027</u>	<u>-</u>
CCCC	Net cash inflows (outflows) from financing activities	<u>136,214</u>	(<u>57,587</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>31,194</u>	(<u>9,799</u>)
EEEE	Increase (decrease) of cash and cash equivalents	295,295	(111,783)
E00100	Beginning cash and cash equivalents balance	<u>486,344</u>	<u>598,127</u>
E00200	Year-end balance of cash and cash equivalents	<u>\$ 781,639</u>	<u>\$ 486,344</u>

The attached notes are an integral part of this consolidated financial statements.

Chairman: Chen Mingzhi General Manager: Chen Mingzhi Accounting Manager: Ye Wenbin

Accountant's audit report

To Bestec Power Electronics Co., Ltd.

Audit Opinion

The individual balance sheets of Bestec Power Electronics Co., Ltd. for the year of 2021 and 2022 and the period from January 1st to December 31st of 2021 and 2022 as well as the individual comprehensive income statements, individual equity change statements, individual cash flow statements, and individual financial report notes (including a summary of significant accounting policies) have been audited and completed by our accountant.

Based on our audit work conducted in accordance with the Regulations Governing the Audit Signatures of Certified Public Accountants and the Auditing Standards, we, as accountants, are of the opinion that the aforementioned individual financial report is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and is sufficient to express the financial condition of Bestec Power Electronics Co., Ltd. for the year of 2022 and the period from January 1st to December 31st of 2021 and 2022, as well as the individual financial performance and individual cash flow for the period.

Basis for opinion

In accordance with our responsibility under the aforementioned standards, we further explain our responsibilities as accountants in the audit report of the individual financial report. The personnel in our accounting firm who are subject to the independence regulations have maintained independence and fulfilled other responsibilities under the professional ethics regulations for accountants with respect to Bestec Power Electronics Co., Ltd. We believe that we have obtained sufficient and appropriate audit evidence to form the basis of our audit opinion.

Key audit matters

Based on our professional judgment, the key audit matters refer to the most important items in the audit of the individual financial report of Bestec Power Electronics Co., Ltd. for the year of 2022. These matters were thoroughly examined during the audit of the parent company's overall financial reports, and they have been taken into consideration in the formation of our audit opinion. However, we do not express a separate opinion on these matters.

The key audit matters regarding the financial statements of Bestec Power Electronics Co., Ltd. for the year 111 of the Republic of China are as follows:

Sales revenue - sales revenue from a specific customer's authenticity

The net sales revenue of Bestec Power Electronics Co., Ltd. for the year of 2022 was NTD 407,295 thousand, an increase of approximately 17% compared to the net sales revenue of NTD 348,329 thousand for the year of 2021. Significant growth was observed in the net sales revenue from a specific customer in the year of 2022 compared to the year of 2021, which accounted for a significant portion of the overall sales revenue. Therefore, the authenticity of the sales revenue from that specific customer in the year of 2022 is identified as a key audit matter.

Please refer to Note 4(11) and Note 18 of the financial statements for accounting policies related to revenue recognition and relevant information disclosure.

The main audit procedures performed by the auditor in response to this key audit matter are as follows:

1. Understand the effectiveness of the main internal control system designs and implementation related to testing the authenticity of revenue recognition. Evaluate the appropriateness of the revenue recognition accounting policies adopted by the management.
2. Select and test the authenticity of revenue recognition by examining original purchase orders, shipping documents, and invoices.
3. Review the collection data and the occurrence of post-period sales returns and allowances to confirm whether there are any abnormal situations.

Responsibilities of management and those charged with governance for the parent company only financial report

The management of Bestec Power Electronics Co., Ltd. is responsible for the preparation and fair presentation of the company's financial report in accordance with the applicable accounting standards. This responsibility includes maintaining adequate internal controls to ensure that the financial report is free from material misstatement due to fraud or error.

In addition to preparing the financial report, the management is also responsible for evaluating the company's ability to continue as a going concern, disclosing relevant information, and selecting appropriate accounting policies.

Bestec Power Electronics Co., Ltd. and its governing body, including the audit committee, are responsible for overseeing the financial reporting process.

Account's responsibilities for the audit of parent company only financial report

The purpose of our audit of the individual financial statements is to obtain reasonable assurance that the individual financial statements as a whole are free from material misstatement, whether caused by fraud or error, and to issue an audit report thereon. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or errors. A misstated dollar amount, individually or in the aggregate, that could be reasonably predicted to influence the economic decision of the user of the parent company only financial reports can be viewed as material.

Our auditor exercised professional judgment and skepticism in accordance with the auditing standards. We also performed the following tasks:

1. We identified and assessed the risks of material misstatement of the parent company only financial reports, whether due to fraud or errors, designed and performed audit procedures according to those risks, and obtained audit evidence that can sufficiently and appropriately form the basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for the one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. The auditor obtains the necessary understanding of internal controls related to the audit, in order to design appropriate audit procedures for the circumstances at that time, but the purpose is not to express an opinion on the effectiveness of the internal controls of Bestec Power Electronics Co., Ltd.
3. We evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, the auditor draws a conclusion on the appropriateness of the management's use of the going concern basis of accounting and whether there is a significant uncertainty that may cast doubt on the company's ability to continue as a going concern. If the auditor considers that such events or circumstances give rise to significant uncertainty, the auditor must draw attention to the related disclosures in the financial report in the audit report or modify the audit opinion if the disclosures are inadequate. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may lead to the company's inability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the financial report (including related notes) and whether the financial report provides appropriate expression of related transactions and events.
6. Obtain sufficient and appropriate audit evidence on the financial information of the components of the company to express an opinion on the financial report. The auditor is responsible for directing, supervising, and performing the audit engagement and for forming an audit opinion on the company.

We have communicated with those charged with governance regarding the planned scope and the timing of the audit as well as material audit findings (including significant internal control shortcomings identified in the audit).

We have also provided those charged with governance the statement that the personnel of our accounting firm subject to the requirements of independence have complied with the requirements of independence of the code of professional ethics of certified public accountants and communicate with those charged with governance relationships and other matters that may influence our independence (including related preventive measures).

The accountant has identified the key audit matters for the audit of the individual financial statements of Bestec Power Electronics Co., Ltd. for the year 2022 based on communication with the governance unit. We described these matters in the accountant's report, unless the laws and regulations prohibit such disclosure or under rare condition that we decide not to communicate a given matter because the negative impact from such communication may override its public benefits under reasonable assumption.

Deloitte Taiwan
Accountant Jian-Ming Yan

Accountant Hsiu-Chun Huang

Approval Number from Financial
Supervisory Commission
Financial Supervisory Commission
Approval Number: JG-Yin-Zhuan-Zi
1000028068

Securities and Futures Bureau Approval
Number:
TCSC-Liu-Zi 0920123784

March 28,2023

Bestec Power Electronics Co., Ltd.
Parent Company Only Balance Sheets
As of December 31, 2022 and 2021

Unit: NT\$ thousands

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current Assets					
1100	Cash and Cash Equivalents (Note 4 and 5)	\$ 175,880	12	\$ 173,499	14
1170	Net accounts receivable (Note 4, 5 and 7)	154,967	10	87,032	7
1180	Accounts Receivable - Related Parties (Note 4, 5, 7 and 25)	-	-	538	-
1200	Other receivables (Note 4 and 7)	694	-	328	-
1210	Other accounts receivable - related parties (Note 4, 7 and 25)	597	-	-	-
1220	Current tax assets (Note 4 and 20)	159	-	229	-
130X	Inventory (Note 4, 5 and 8)	30	-	92	-
1470	Other current assets (Note 13)	<u>25,264</u>	<u>2</u>	<u>22,419</u>	<u>2</u>
11XX	Total Current Assets	<u>357,591</u>	<u>24</u>	<u>284,137</u>	<u>23</u>
Non-current assets					
1550	Acquisition of investments accounted for using the equity method (Note 4 and 9)	645,949	44	693,418	56
1600	Property, plant, and equipment (Note 4, 10, 14 and 17)	456,076	31	257,741	21

1780	Intangible Assets (Note 4 and 12)	167	-	879	-
1840	Deferred tax assets (Note 4, 5 and 20)	1,758	-	1,884	-
1920	Deposits Received as Collateral (Note 17)	12,646	1	5,688	-
1975	Net defined benefit assets - non-current (Note 4 and 16)	<u>7,370</u>	<u>-</u>	<u>6,004</u>	<u>-</u>
15XX	Total Non-Current Assets	<u>1,123,966</u>	<u>76</u>	<u>965,614</u>	<u>77</u>
1XXX	Total Assets	<u>\$ 1,481,557</u>	<u>100</u>	<u>\$ 1,249,751</u>	<u>100</u>
Code	Liability and equity				
	Current Liabilities				
2100	Short-term borrowings (Note 4, 10, 14 and 26)	\$ 184,000	12	\$ 184,000	15
2170	Accounts payable	2,000	-	2,000	-
2180	Accounts payables - related parties (Note 25)	140,056	10	79,034	6
2219	Other accounts payable (Note 15)	8,985	1	9,739	1
2220	Accounts payable - related parties (Note 15 and 25)	-	-	8,724	1
2322	Current portion of long-term loans payable (Note 4, 10, 14 and 26)	256,400	17	28,000	2
2399	Other current liabilities (Note 15)	<u>12,406</u>	<u>1</u>	<u>12,409</u>	<u>1</u>
21XX	Total current liabilities	<u>603,847</u>	<u>41</u>	<u>323,906</u>	<u>26</u>
	Non-current liabilities				
2540	Long-term borrowings (Note 4, 10, 14 and 26)	169,667	12	258,067	21
2570	Deferred income tax liabilities (Note 4, 5 and 20)	6,672	-	985	-
2645	Deposits as Guarantees	<u>2,959</u>	<u>-</u>	<u>2,016</u>	<u>-</u>
25XX	Total non-current liabilities	<u>179,298</u>	<u>12</u>	<u>261,068</u>	<u>21</u>

2XXX	Total liabilities	<u>783,145</u>	<u>53</u>	<u>584,974</u>	<u>47</u>
	Equity (Note 4, 17, 20 and 22)				
	Capital stocks				
3110	Common Stock	<u>706,840</u>	<u>48</u>	<u>704,909</u>	<u>56</u>
	Capital surplus				
3210	Share premium	877	-	272	-
3271	Employee stock options	<u>4,029</u>	<u>-</u>	<u>4,405</u>	<u>-</u>
3200	Total Capital Surplus	<u>4,906</u>	<u>-</u>	<u>4,677</u>	<u>-</u>
	Accumulated losses				
3350	Accumulated deficits to be covered	(<u>5,632</u>)	<u>-</u>	(<u>26,388</u>)	(<u>2</u>)
	Other equity				
3410	Exchange difference for conversion of financial statements of foreign operating institutions	(<u>7,702</u>)	(<u>1</u>)	(<u>18,421</u>)	(<u>1</u>)
3XXX	Total equity	<u>698,412</u>	<u>47</u>	<u>664,777</u>	<u>53</u>
	Total liabilities and equity	<u>\$ 1,481,557</u>	<u>100</u>	<u>\$ 1,249,751</u>	<u>100</u>

The accompanying notes are an integral part of these individual financial statements.

Chairman: Chen Mingzhi

General Manager: Chen Mingzhi

Chief Accounting Officer: Ye Wenbin

Bestec Power Electronics Co., Ltd.
Parent Company Only Statements of Comprehensive Income
Year 2022 and January 1 to December 31, 2021

Unit: NT\$ thousands, except
earnings (loss) per share in NT\$

Code		Year 2022		Year 2021	
		Amount	%	Amount	%
	Operating revenue (Note 4, 18 and 25)				
4110	Sales revenue	\$ 407,341	100	\$ 348,965	100
4170	Sales return	(4)	-	(10)	-
4190	Sales allowance	(42)	-	(626)	-
4000	Operating revenue	407,295	100	348,329	100
5000	Operating cost (Note 8 and 25)	369,216	91	317,716	92
5900	Operating gross profit	38,079	9	30,613	8
	Operating expenses (Note 8, 10, 11, 16, 19, 22 and 25)				
6100	Selling expenses	378	-	4,039	1
6200	Management expense	34,707	8	38,813	11
6300	Research and development expenses.	6,395	2	12,847	4
6000	Total operating expenses	41,480	10	55,699	16
6900	Net loss from operations	(3,401)	(1)	(25,086)	(8)
	Non-operating income and expenses				
7100	Interest revenue (Note 4 and 19)	1,885	-	336	-
7190	Other revenue (Note 10, 19 and 25)	23,220	6	10,336	3
7070	Share of profit or loss of equity method investees (Note 9)	2,576	1	1,902	1
7050	Finance costs (Note 19)	(9,871)	(2)	(7,686)	(2)
7225	Loss on disposal of Investment (Note 9)	(9,129)	(2)	-	-
7230	Net gain (loss) on foreign currency exchange	17,358	4	(5,350)	(2)
7000	Total non-operating income and expenses	26,039	7	(462)	-

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C o d e		Year 2022		Year 2021	
		Amount	%	Amount	%
7900	Profit (loss) before tax	\$ 22,638	6	(\$ 25,548)	(8)
7950	Income tax expense (Note 4, 5 and 20)	(3,122)	(1)	(879)	-
8200	Net income (loss) for the year	<u>19,516</u>	<u>5</u>	<u>(26,427)</u>	<u>(8)</u>
	Other comprehensive income				
8310	Items not to be reclassified into profit or loss				
8311	Remeasurements of defined benefit pension plans (Note 4 and 16)	<u>1,240</u>		<u>217</u>	-
8360	Items may be subsequently reclassified to profit/loss				
8361	Exchange difference for conversion of financial statements of foreign operating institutions (Note 4, 9 and 20)	13,399	3	(10,478)	(3)
8399	Income tax of items that may be reclassified (Note 4 and 20)	(2,680)	-	<u>2,095</u>	<u>1</u>
		<u>10,719</u>	<u>3</u>	<u>(8,383)</u>	<u>(2)</u>
8300	Net amount of other comprehensive income (loss) for the current year, after tax	<u>11,959</u>	<u>3</u>	<u>(8,166)</u>	<u>(2)</u>
8500	Total comprehensive income of the current year	<u>\$ 31,475</u>	<u>8</u>	<u>(\$ 34,593)</u>	<u>(10)</u>
	Earnings (loss) per share (Note 21)				
9750	Basic	<u>\$ 0.28</u>		<u>(\$ 0.37)</u>	
9850	Diluted	<u>\$ 0.27</u>		<u>(\$ 0.37)</u>	

The accompanying notes are an integral part of these individual financial statements.

Chairman: Chen Mingzhi

General Manager: Chen Mingzhi

Accounting Manager: Ye Wenbin

Bestec Power Electronics Co., Ltd.
Statement of Changes in Equity
Year 2022 and January 1 to December 31, 2021

Unit: NT\$ thousands

Code		Share capital (Note 17)		Capital surplus (Note 17)			Accumulated losses (Note 17)	Other equity Foreign currency translation adjustment Translation of Financial Statements of Foreign Operations statements (Note 4 and 10)	Total equity	
		Number of shares (1000 shares)	Amount	Share premium	Employee stock options					(Note 7 and 20)
					Total					
A1	January 1, 2021 balance	98,570	\$ 985,696	\$ 47	\$ 4,130	\$ 4,177	(\$ 280,787)	(\$ 10,038)	\$ 699,048	
F1	Accumulated deficits to be covered by capital decrease	(28,079)	(280,787)	-	-	-	280,787	-	-	
N1	Employee stock options issued by the company	-	-	-	500	500	-	-	500	
G1	Cancellation of Employee Stock Options	-	-	225	(225)	-	-	-	-	
M7	Changes in ownership interests of subsidiaries	-	-	-	-	-	(178)	-	(178)	
D1	Net loss in 2021	-	-	-	-	-	(26,427)	-	(26,427)	
D3	Other comprehensive income after tax in 2021	-	-	-	-	-	217	(8,383)	(8,166)	
D5	Total comprehensive profit and loss in 2021	-	-	-	-	-	(26,210)	(8,383)	(34,593)	
Z1	December 31, 2021 balance	70,491	704,909	272	4,405	4,677	(26,388)	(18,421)	664,777	
T1	Employee stock options issued by the company	-	-	-	133	133	-	-	133	
N1	Employee stock option exercise	193	1,931	562	(466)	96	-	-	2,027	
G1	Cancellation of Employee Stock Options	-	-	43	(43)	-	-	-	-	
D1	Net income in 2022	-	-	-	-	-	19,516	-	19,516	
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	1,240	10,719	11,959	

D5	Total comprehensive profit and loss in 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,756</u>	<u>10,719</u>	<u>31,475</u>
Z1	December 31, 2022 balance	<u>70,684</u>	<u>\$ 706,840</u>	<u>\$ 877</u>	<u>\$ 4,029</u>	<u>\$ 4,906</u>	<u>(\$ 5,632)</u>	<u>(\$ 7,702)</u>	<u>\$ 698,412</u>

The accompanying notes are an integral part of these individual financial statements.

Chairman: Chen Mingzhi

General Manager: Chen Mingzhi

Accounting Manager: Ye Wenbin

Bestec Power Electronics Co., Ltd.
Parent company only statements of cash flows
Year 2022 and January 1 to December 31, 2021

Unit: NT\$ thousands

<u>C o d e</u>		<u>Year 2022</u>	<u>Year 2021</u>
	Cash flows from operating activities		
A10000	This year's profit (loss) before tax	\$ 22,638	(\$ 25,548)
A20010	Revenue/expenses not affecting the cash flows		
A20100	Depreciation expenses	11,895	12,713
A20200	Amortization expense	712	904
A20300	Expected credit (loss) recovery gain	(65)	66
A20900	Finance costs	9,871	7,686
A21200	Interest income	(1,885)	(336)
A21900	Share-based compensation cost for employee stock options	133	500
A22400	Share of profit or loss of subsidiaries accounted for using the equity method	(2,576)	(1,902)
A23100	Loss on disposal of investment	9,129	-
A23700	Inventory Obsolescence and Impairment Loss (Reversal of Gain)	36	(3,917)
A24100	Net loss of Foreign exchange differences	1,363	862
A29900	Contractual liabilities	(1,174)	(1,174)
A30000	Changes in net operating assets and liabilities		
A31150	Accounts receivable	(68,591)	(32,622)
A31180	Other receivables	(83)	247
A31200	Inventories	26	3,839
A31240	Other Current Assets	(2,844)	719
A31990	Net defined benefit assets - non-current	(127)	(110)
A32150	Accounts payable	62,685	(81,864)
A32180	Other accounts payable	(949)	(13)
A32230	Other current liabilities	<u>1,171</u>	<u>(114)</u>
A33000	Cash generated (used) from operations	41,365	(120,064)
A33100	Interests received	1,595	348
A33300	Interest paid	(9,673)	(7,694)
A33500	Income tax refunded	<u>81</u>	<u>556</u>
AAAA	Net cash inflows (outflows) from operating activities	<u>33,368</u>	<u>(126,854)</u>
	Cash flow from investing activities		
B01800	Acquisition of long-term equity investments accounted for by the equity method	-	(4,186)
B02700	Acquisition of property, plants, and equipment	(210,230)	-

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<u>C o d e</u>		<u>Year 2022</u>	<u>Year 2021</u>
B03700	Increase in guarantee deposits paid	(\$ 6,958)	(\$ 5,643)
B04300	Increase in other receivables - related parties	(539)	-
BBBB	Net cash outflows from investment activities	(217,727)	(9,829)
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	-	(20,000)
C01600	Borrowing of long-term loans	168,000	-
C01700	Payments of long-term borrowings	(28,000)	(30,778)
C03000	Increase (decrease) of Deposits as Guarantees	943	(165)
C03700	Decrease in other accounts payable - related parties	(10,545)	(2,117)
C04800	Employee stock option	2,027	-
C05500	Return of investment by liquidation/capital reduction of equity-method investee	<u>54,315</u>	<u>53,080</u>
CCCC	Net cash inflows from fundraising activities	<u>186,740</u>	<u>20</u>
EEEE	Net Increase (decrease) of Cash and Cash Equivalents	2,381	(136,663)
E00100	Beginning cash and cash equivalents balance	<u>173,499</u>	<u>310,162</u>
E00200	Year-end balance of cash and cash equivalents	<u>\$ 175,880</u>	<u>\$ 173,499</u>

The accompanying notes are an integral part of these individual financial statements.

Chairman: Chen Mingzhi General Manager: Chen Mingzhi Accounting Manager: Ye Wenbin

Bestec Power Electronics Co., Ltd.

2022 Annual Loss Appropriation Form

Unit : NTD

Item	Amount
Losses to be made up at the beginning of the period	26,388,663
Add: (2022) net profit after tax for the year	19,515,889
Add: (2022) other comprehensive profit and loss after tax for the year	1,240,405
Add: Changes in ownership interests in subsidiaries	0
Losses to be made up at the end of the period	(5,632,369)

Chairman: Chen Mingzhi General Manager: Chen Mingzhi Accounting Manager: Ye Wenbin

Rules of Procedure for the Shareholders' Meeting of Bestec Electronics Co., Ltd.

First Amendment June 22, 2012

The second revision August 27, 2021

1. In order to establish a good shareholder governance system, improve the supervisory function and strengthen the management function of the company, this rule is formulated in accordance with Article 5 of the Code of Practice for Corporate Governance of Listed OTC Companies for compliance.
2. The rules of procedure of the company's shareholders' meeting shall be in accordance with the provisions of these rules, unless otherwise stipulated by laws or articles of association.
3. The general meeting of shareholders of the company shall be convened by the board of directors unless otherwise stipulated by laws and regulations.

The company shall, 30 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, submit the notice of the shareholders' meeting, the power of attorney, the reasons and explanations for various proposals, such as the admission proposal, the discussion proposal, the election or dismissal of directors, etc. The data is made into an electronic file and sent to the Public Information Observatory. And 21 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, the shareholders' meeting manual and supplementary materials for the meeting will be prepared and sent to the public information observation station as electronic files. Fifteen days before the shareholders' meeting, the manual of the shareholders' meeting and supplementary materials for the meeting shall be prepared for shareholders to request and read at any time, and shall be displayed at the company and the professional stock affairs agency appointed by the company, and shall be distributed on the site of the shareholders' meeting.

The notification and announcement shall specify the reason for the convening; the notification may be done electronically if the counterparty agrees.

Appointment or dismissal of directors, change of articles of association, capital reduction, application for cessation of public offering, directors' non-competition permit, capital increase from surplus, capital increase from public reserve, company dissolution, merger, division, or the various subparagraphs of Article 185, Paragraph 1 of the Company Law The matters mentioned in Article 26-1 and Article 43-6 of the Securities Exchange Law, and the matters mentioned in Article 56-1 and Article 60-2 of the Issuer's Guidelines for Handling the Offering and Issuance of Securities shall be submitted in the The reason for the convening shall list and explain its main content, and shall not be raised as an interim motion.

The reason for the convening of the board of directors has stated the comprehensive re-election of directors and the date of their inauguration. After the re-election of the shareholders' meeting is completed, the same meeting shall not change the date of their inauguration by temporary motion or other means.

Shareholders who hold more than 1% of the total issued shares. May submit to the company general meeting of shareholders, not more than one. Those with more than one proposal shall

not be included in the motion. In addition, if a proposal proposed by a shareholder falls under any of the circumstances in Subparagraph 4 of Article 172-1 of the Company Law, the board of directors may not include it as a proposal. Shareholders may submit suggestive proposals to urge the company to promote public interests or fulfill social responsibilities. The procedure shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Law. Proposals exceeding one item shall not be included in the proposal. .

The company shall announce the acceptance of shareholders' proposals, the written or electronic acceptance method, the acceptance location, and the acceptance period before the shareholders' general meeting is held and before the closing date of stock transfer. The acceptance period shall not be less than ten days.

Proposals proposed by shareholders shall be limited to 300 words, and proposals exceeding 300 words shall not be included in the proposal. Proposing shareholders should attend the general meeting of shareholders in person or by entrusting others, and participate in the discussion of the proposal.

The company shall notify the proposing shareholders of the handling result before the notification date of the shareholders meeting. The proposals that meet the provisions of this article shall be listed in the meeting notice. For shareholder proposals that are not included in the proposal, the board of directors shall explain the reasons for not including them at the shareholders' meeting.

4. Shareholders may, at each shareholders' meeting, issue a power of attorney issued by the company, specifying the scope of authorization, and entrust a proxy to attend the shareholders' meeting. Each shareholder shall issue a power of attorney, limited to one person, and shall send it to the company five days before the shareholders' meeting. If there are duplicate powers of attorney, the one delivered first shall prevail. However, this does not apply to those entrusted before the declaration is revoked.

After the power of attorney is delivered to the company, shareholders who wish to attend the shareholders' meeting in person or exercise their voting rights in writing or electronically shall notify the company in writing of the cancellation of the proxy two days before the shareholders' meeting. If the cancellation is overdue, the voting rights performed by the authorized proxy shall prevail.

5. The place where the shareholders' meeting is held shall be the location of the company or a place that is convenient for shareholders to attend and is suitable for holding the shareholders' meeting. Meetings should start no earlier than 9:00 am or later than 3:00 pm. The place and time of the meeting shall fully consider the opinions of the independent directors.
6. The company shall specify in the meeting notice the time for accepting shareholders' report, the location of the report, and other matters that should be paid attention to.

The time for acceptance of shareholder registration in the preceding paragraph shall be at least 30 minutes before the start of the meeting. There should be a clear sign at the registration office, and adequate and qualified personnel should be assigned to handle it.

Shareholders themselves or proxies entrusted by shareholders (hereinafter referred to as

shareholders) shall attend the shareholders' meeting by presenting their attendance certificates, attendance cards or other attendance certificates. The company shall not arbitrarily add to the supporting documents required by the shareholder's attendance to require other supporting documents. The solicitor who belongs to the solicitation power of attorney shall bring his identity certificate for verification.

The company shall set up a signature book for the attendance of shareholders to sign in, or the attendance card shall be submitted by the attending shareholder to sign in.

The company shall deliver the meeting manual, annual report, attendance certificate, speech slips, votes and other meeting materials to the shareholders attending the shareholders' meeting; if there are directors to be elected, the ballots shall be attached.

When the government or legal person is the shareholder, the representative attending the shareholders meeting is not limited to one person. When a legal person is entrusted to attend a shareholders' meeting, it may only designate one representative to attend.

7. If the shareholders' meeting is convened by the board of directors, its chairman shall be the chairman. When the chairman asks for leave or is unable to exercise his powers for some reason, the vice chairman shall act as his representative. If there is no vice-chairman or the vice-chairman is also on leave or unable to exercise his powers for some reason, the chairman shall designate a managing director to act as his representative. If it does not have an executive director, a director shall be designated to act as its representative. If the chairman does not designate an agent, the managing director or one of the directors shall recommend one of them to act as the agent.

The chairman referred to in the preceding paragraph shall be the executive director or a director acting as an agent, and the executive director or director who has served for more than six months and understands the company's financial and business conditions shall serve as the chairman. The same applies if the chairman is the representative of the corporate director.

The chairman of the board of directors should personally preside over the shareholders' meeting convened by the board of directors. In addition, more than half of the directors of the board of directors should attend in person, and at least one member of various functional committees should attend. The attendance status shall be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by the board of directors or other persons with the right to convene, the chairman of the meeting shall be the person with the right to convene. When there are more than two persons with the right to convene, one of them shall be elected from each other.

The company may appoint lawyers, accountants or related personnel to attend the shareholders' meeting.

8. The company shall make continuous and uninterrupted audio and video recordings of the shareholder registration process and voting counting process from the time the registration is accepted.

The audio-visual materials mentioned in the preceding paragraph shall be kept for at least one

year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

9. Attendance at the shareholders' meeting shall be calculated based on shares. The number of shares attended is calculated based on the signature book or attendance card submitted, plus the number of shares that exercise voting rights in written or electronic means.

When the meeting time has expired, the chairman shall immediately announce the opening of the meeting, and at the same time announce relevant information such as the number of non-voting rights and the number of shares present.

However, if shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement of the meeting. The number of delays is limited to two times, and the total delay time shall not exceed one hour. If there are still not enough shareholders representing more than one-third of the total issued shares to attend after the second postponement, the chairman will announce that the meeting will be adjourned.

If the preceding paragraph is postponed twice and the amount is still insufficient and there are shareholders representing more than one-third of the total issued shares present, a false resolution may be made in accordance with Article 175, Paragraph 1 of the Company Law, and the false resolution shall be notified to all parties. Shareholders shall convene another shareholders' meeting within one month.

Before the end of the current meeting, if the number of shares represented by the present shareholders reaches more than half of the total number of issued shares, the chairman may resubmit the false resolution made to the general meeting for voting in accordance with Article 174 of the Company Law.

10. If the shareholders meeting is convened by the board of directors, the agenda shall be determined by the board of directors. Relevant motions (including provisional motions and amendments to original motions) shall be decided on a case-by-case basis. The meeting shall be conducted in accordance with the scheduled agenda, which shall not be changed without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Before the conclusion of the agenda (including temporary motions) scheduled in the first two items, the chairman shall not adjourn the meeting without a resolution. If the chairman announces the adjournment of the meeting in violation of the rules of procedure, other members of the board of directors shall promptly assist the attending shareholders in accordance with the legal procedures, and elect a person as the chairman with the consent of more than half of the voting rights of the attending shareholders to continue the meeting.

The chairman shall give full explanations and opportunities for discussion on proposals and amendments or temporary motions proposed by shareholders. When it is deemed to be ready for voting, it may announce the cessation of discussion, put it up for voting, and arrange adequate voting time.

11. Before attending a shareholder's speech, a statement must be filled out to specify the gist of the speech, shareholder account number (or attendance card number) and account name, and the chairman will determine the order of their speeches.

Shareholders attending the meeting who only put forward speech slips but did not make a speech shall be deemed as having not made a speech. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail.

Each shareholder may not speak more than twice on the same proposal without the consent of the chairman. Each time shall not exceed five minutes, but if a shareholder's speech violates the regulations or exceeds the scope of the topic, the chairman may stop the shareholder from speaking.

When the present shareholder is speaking, other shareholders are not allowed to interfere with the speech unless they have obtained the consent of the chairman and the shareholder who is speaking. Violators shall be stopped by the chairman.

When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.

After attending shareholders' speeches, the chairman may reply in person or by designating relevant personnel.

12. Voting at the shareholders' meeting shall be based on shares.

The number of shares of non-voting shareholders shall not be included in the total number of issued shares for the resolutions of the shareholders' meeting.

Shareholders who have their own interests in matters at the meeting that may harm the interests of the company may not participate in voting, and may not exercise their voting rights on behalf of other shareholders.

The number of shares that cannot exercise voting rights in the preceding paragraph shall not be included in the number of voting rights of shareholders present.

Except for a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the agent shall not exceed 3% of the total number of issued shares. Not counted.

13. Shareholders have one voting right per share; however, this restriction does not apply to those who are restricted or have no voting rights as listed in Article 179, Item 2 of the Company Law. When the company convenes a general meeting of shareholders, it shall use electronic means and may exercise its voting rights in written form. When exercising voting rights in writing or electronically, the method of exercising shall be specified in the shareholders' meeting convening notice. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, the interim motions and amendments to the original proposals at the shareholders' meeting are deemed as abstentions, so the company should avoid proposing interim motions and amendments to the original proposals.

Unless otherwise provided for by the Company Law and the Articles of Association of the

company, voting on proposals shall be passed with the consent of more than half of the voting rights of the shareholders present.

When voting, the chairman or his designated person shall announce the total number of voting rights of shareholders present, and the shareholders shall vote on a case-by-case basis. And on the day after the shareholders' meeting is held, the results of shareholders' approval, objection and abstention are entered into the public information observation station.

When there is an amendment or alternative to the same proposal, the chairman shall determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals shall be deemed to be rejected, and there is no need to vote again.

The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall have the status of shareholders.

The counting of votes or election proposals at the shareholders' meeting shall be done at a public place in the shareholders' meeting. And after the counting of votes is completed, the voting result shall be announced on the spot, including the weight of statistics, and shall be recorded.

14. When the shareholders' meeting elects directors, it shall follow the relevant selection and appointment rules stipulated by the company. The results of the election shall be announced on the spot, including the list of elected directors and the number of voting rights they have received, and the list of unsuccessful directors and the number of voting rights they have obtained.

The ballot papers for the elections mentioned in the preceding paragraph shall be sealed and signed by the scrutineer, and shall be kept in a safe place for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

15. Minutes of the resolutions of the shareholders' meeting shall be prepared and signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The production and distribution of the meeting minutes may be done electronically.

The distribution of the minutes of the proceedings mentioned in the preceding paragraph may be done by means of an announcement entered by the Public Information Observatory.

The minutes of the meeting shall accurately record the year, month, day, venue, name of the chairman, resolution method, essentials of the proceedings and voting results (including statistical weights) of the meeting. When there is election of directors, the number of votes of each elected person shall be disclosed. During the existence of the company, it shall be permanently preserved.

16. The company shall clearly disclose the number of shares acquired by the solicitor and the number of shares represented by the entrusted agent in the shareholders' meeting on the day of the shareholders' meeting, in accordance with the prescribed format.

Resolutions of the shareholders' meeting, if there is any material information required by laws and regulations or Taiwan Stock Exchange Co., Ltd. (Taiwan Securities OTC Exchange). The

company shall transmit the content to the public information observation station within the specified time.

17. Personnel handling the shareholders' meeting shall wear identification cards or armbands.
The chairman may direct the pickets (or security personnel) to assist in maintaining order at the venue. When pickets (or security personnel) are present to help maintain order, they should wear armbands or identification cards with the words "Pickets".
If the venue is equipped with sound amplification equipment, the chairman may stop the shareholders from speaking through the equipment provided by the company.
Shareholders who violate the rules of procedure and refuse to obey the chairman's correction, obstruct the progress of the meeting and refuse to comply, may be ordered by the chairman to ask the pickets or security personnel to leave the meeting place.
18. When the meeting is in progress, the chairman may announce a break at a discretionary time.
In the event of an irresistible event, the chairman may rule to temporarily suspend the meeting. And announce the time for the continuation of the meeting according to the situation.
Before the conclusion of the agenda scheduled by the shareholders' meeting (including temporary motions), the venue for the meeting cannot continue to be used at that time, and the shareholders' meeting may resolve to find another venue to continue the meeting.
The shareholders' meeting may, in accordance with Article 182 of the Company Law, resolve to postpone or continue the meeting within five days.
19. These rules shall come into force after being approved by the shareholders' meeting, and the same shall apply when they are amended.

Chapter1 General

Article 1: The company is organized in accordance with the provisions of the Company Law and named Liande Electronics Co., Ltd.

Article 2: The business of the company is as follows:

- 1.CA02990 Other metal products manufacturing industry
- 2.CA04010 Surface treatment industry
3. CB01010 Machinery and equipment manufacturing industry
4. CB01020 Business Machine Manufacturing
- 5.CC01010 Power generation, transmission and distribution machinery manufacturing
6. CC01030 Manufacturing of electrical appliances and audio-visual electronic products
7. CC01040 Lighting equipment manufacturing industry
8. CC01060 Wired communication machinery and equipment manufacturing industry
- 9.CC01070 Wireless communication machinery and equipment manufacturing industry
- 10.CC01080 Electronic component manufacturing industry
11. CC01090 Battery Manufacturing
- 12.CC01110 Computer and peripheral equipment manufacturing industry
- 13.CC01120 Manufacturing and reproduction of data storage media
- 14.CC01990 Manufacturing of other electrical and electronic machinery and equipment
- 15.CB01990 Other machinery manufacturing industry
- 16.CD01010 Ship and its parts manufacturing industry
- 17.CD01020 Rail vehicle and its parts manufacturing industry
- 18.CD01030 Automobile and its parts manufacturing industry
- 19.CD01040 Locomotive and its parts manufacturing industry
- 20.CD01050 Bicycle and its parts manufacturing industry
- 21.CD01060 Aircraft and its parts manufacturing industry
- 22.CD01990 Manufacturing of other means of transportation and its parts
- 23.CE01010 General Instrument Manufacturing
- 24.CE01030 Optical Instrument Manufacturing
- 25.CE01040 Watch manufacturing industry
- 26.CE01990 Other optical and precision instrument manufacturing industry
- 27.D101060 Renewable energy self-use power generation equipment industry
- 28.E599010 Piping engineering industry
- 29.E601010 Electrical appliance packaging industry
- 30.E601020 Electrical installation industry
- 31.E603010 Cable installation engineering industry
- 32.E603040 Fire safety equipment installation engineering industry
- 33.E603050 Automatic control equipment engineering industry
- 34.E603090 Lighting equipment installation engineering industry

35.E604010 Mechanical installation industry
36.E605010 Computer equipment installation industry
37.E701010 Communication engineering industry
38.E801010 Interior decoration industry
39.EZ05010 Instrument and instrument installation engineering industry
40.EZ14010 Sports field equipment engineering industry
41.EZ99990 Other engineering industries
42.F219010 Retailing of electronic materials
43.F119010 Wholesale of electronic materials
44.F113070 Wholesale of telecommunication equipment
45.F211010 Retailing of building materials
46.F213060 Retailing of telecommunications equipment
47.F113020 Wholesale of electrical appliances
48.F113030 Wholesale of precision instruments
49.F113050 Wholesale of computers and business machinery and equipment
50.F113990 Wholesale of other mechanical appliances
51.F114030 Wholesale of automobile and locomotive spare parts
52.F114060 Wholesale of ships and their parts
53.F114070 Wholesale of aircraft and its parts
54.F114080 Wholesale of rail vehicles and their parts
55.F114990 Wholesale of other means of transportation and their parts
56.F213010 Electrical retailing
57.F213030 Retailing of computers and business machinery and equipment
58.F213040 Retailing of precision instruments
59.F213080 Retail trade of machinery and appliances
60.F213990 Retail trade of other mechanical appliances
61.F214030 Automobile and locomotive spare parts retailing
62.F214060 Retailing of ships and their parts
63.F214070 Aircraft and its parts retailing
64.F214080 Rail vehicles and their parts retail
65.F214990 Retailing of other means of transportation and their parts
66.F401010 International trade industry
67.F401991 Other import and export business
68.G801010 Storage industry
69.H701010 Residential and building development leasing and sales
70.I301010 Information software service industry
71.I301020 Data processing service industry
72.I301030 Electronic information supply service industry
73.I503010 Landscape and interior design
74.I599990 Other design industries

75.IG03010 Energy technology service industry

76.JA02010 Electrical and electronic product repair industry

77.JA02990 Other repair industry

78.JE01010 Leasing industry

79.ZZ99999 In addition to licensed business, may operate business that is not prohibited or restricted by law

Article 2-1: The company is not subject to the restriction of reinvestment exceeding 40% of the paid-in share capital as stipulated in Article 13 of the Company Law.

Article 3: The head office of the company is located in Taoyuan City. When necessary, branch companies can be established at home and abroad with the resolution of the board of directors.

Article 4: The company's announcement method shall be handled in accordance with Article 28 of the Company Law.

Chapter2 Shares

Article 5: The capital of the company is rated at NT\$1.6 billion, which is divided into 160 million shares, all of which are ordinary shares. NT\$10 per share, of which unissued shares are authorized to be issued by the board of directors. Within the total capital in the preceding paragraph, NT\$80,000,000 shall be reserved for employee stock option certificates, special shares with stock options, or corporate bonds with stock options to exercise stock options. Resolutions are issued in installments.

Article 6: The stock certificates of the company shall be in registered form, signed or sealed by the director representing the company, and issued after being issued by a bank that is legally authorized to issue certificates. Shares issued by the company may be exempted from printing stock certificates. Please contact the centralized securities depository institution to register the issued shares and follow the regulations of the institution.

Article 7: The stock affairs of the company shall be handled in accordance with the "Standards for the Handling of Share Affairs of Public Offering Companies" promulgated by the competent authority.

Chapter3 Shareholders' meeting

Article 8: There are two types of shareholders' meeting: regular meeting and extraordinary meeting. The regular meeting is held once a year. It shall be convened by the board of directors according to law within six months after the end of each fiscal year. The interim meeting shall be convened according to law when necessary.

Article 9: When a shareholder is unable to attend the shareholders' meeting for any reason, he or she shall issue a power of attorney issued by the company specifying the scope of authorization to entrust an agent to attend. The procedures for shareholders to attend by proxy shall be in addition to the provisions of Article 177 of the Company Law. It is handled in accordance with the "Rules on the Use of Power of Attorney for Attending Shareholders' Meetings of Public Issue Companies" promulgated by the competent authority.

Article 10: Each shareholder of the company has one voting right. However, this does not apply to those who are restricted or have no voting rights as listed in Article 179, Item 2 of the Company Law.

Article 11: Unless otherwise provided by relevant laws and regulations, the resolution of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares in person or by proxy, and shall be carried out with the consent of more than half of the voting rights of the present shareholders.

Article 12: The shareholders' meeting shall be convened by the board of directors, with the chairman as the chairman. In the absence of the chairman, the vice chairman shall act as his proxy. When the vice chairman is absent or unable to perform his duties, the chairman shall designate a director to act as his representative. If no appointment is made, the directors shall elect a proxy. It is convened by a convener other than the board of directors, and the chairman shall be the convener. When there are more than two persons with the right to convene, one of them shall be elected from each other.

Article 12-1: The regular shareholders' meeting shall be called 30 days before the meeting, and the extraordinary shareholders' meeting shall be called 15 days before the meeting, and the date, place and reason for the meeting shall be notified to all shareholders and announced. The convening notice of the shareholders meeting may be done electronically if the counterparty agrees. For shareholders holding less than 1,000 registered shares, the convening notice referred to in the preceding Paragraph may be issued in the form of an announcement.

Article 12-2: The shareholders' meeting of the company may be held by video conference or other methods announced by the central competent authority. In line with Article 44-9 of the Standards for the Handling of Stock Affairs, adopt relevant regulations such as the conditions, operating procedures, and other matters to be complied with by video conferencing, unless otherwise stipulated by the competent securities authority.

Article 13: The resolutions of the shareholders' meeting shall be recorded in minutes and handled in accordance with Article 183 of the Company Law.

Chapter4 Directors and Audit Committee

Article 14: The company shall have five to eleven directors with a term of three years and may be re-elected. The election of directors adopts the candidate nomination system stipulated in Article 192-1 of the Company Act, and the shareholders' meeting selects from the list of candidates. The total shareholding ratio of all directors of the company shall be in accordance with the regulations of the competent securities authority.

The company has established an audit committee in accordance with the Securities and Exchange Law, which is composed of all independent directors, and one of them serves as the convener. At least one has accounting or financial expertise. The number of members of the Audit Committee, terms of office, powers, rules of procedure, and resources to be provided when exercising powers shall be determined separately in the Organizational Regulations of the Audit Committee.

Article 14-1: To comply with Article 14-2 of the Securities and Exchange Law, the number of independent directors of the company shall not be less than two and shall not be less than one-fifth of the number of directors. The professional qualifications, shareholding, part-time job restrictions, nomination and election methods, and other compliance matters of independent directors shall be handled in accordance with the relevant regulations of the competent securities authority.

Article 15: The board of directors organizes the board of directors, and more than two-thirds of the directors are present, and more than half of the directors present agree to elect one person as the chairman of the board to represent the company externally. The board of directors may, in accordance with the method specified in the preceding paragraph, elect one among themselves as the vice chairman to assist the chairman. When the chairman of the board of directors asks for leave or is unable to exercise his powers for some reason, his agency shall be handled in accordance with the provisions of Article 208 of the Company Law.

Article 15-1: The board of directors shall convene at least once a quarter, and the reasons for the convening shall be stated and the directors shall be notified seven days in advance. However, the board of directors may be convened at any time for urgent matters. The convening notice of the board of directors of the company may be given in writing, electronic mail (E-mail) or fax.

Article 16: Unless otherwise stipulated by the Company Law, resolutions of the board of directors shall be made with the presence of more than half of the directors and the consent of more than half of the directors present.

Directors shall attend the board meeting in person. If a director is unable to attend the meeting for any reason, he shall issue a power of attorney, enumerating the scope of authorization for the reason for the convening, and authorize another director to attend the board meeting on his behalf. However, it is limited to entrusted by one person.

Article 16-1: The board of directors of the company may set up a salary and remuneration committee or other functional committees due to the needs of business operations.

Article 17: When the vacancy of directors reaches one-third, the board of directors shall hold a by-election of an extraordinary meeting of shareholders within 60 days. The term of office shall be limited to making up the term of the original office.

Article 17-1: When the directors of the company perform their duties in the company, the company may pay remuneration regardless of the company's operating profit or loss. The remuneration of directors is authorized to the board of directors to be negotiated according to the degree of participation in the company's operations and the value of their contributions, and with reference to the usual level of peers. If the company has surplus, the remuneration shall be distributed in accordance with the provisions of Article 20. The director's remuneration shall be at least NTD30,000 per month.

Chapter 5 Manager

Article 18: The company has a general manager, several deputy general managers and managers.

Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.

Chapter 6 Accounting

Article 19: At the end of each fiscal year of the company, the board of directors shall prepare the following list and submit it to the shareholders' regular meeting for approval according to legal procedures.

1. Business report.
2. Financial statements.
3. Proposal on profit distribution or loss compensation.

Article 20: If the company makes a profit in the year, no less than 5% of the pre-tax net profit shall be appropriated as employee remuneration and the upper limit of no higher than 4% shall be used as director remuneration. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate employee remuneration and director remuneration in proportion to the preceding paragraph.

The remuneration of employees referred to in the preceding paragraph may be paid in stock or in cash. The recipients of the payment may include employees of affiliated companies who meet the conditions set by the board of directors. Directors' remuneration shall be in cash only.

The distribution of employee remuneration and director remuneration in the preceding two paragraphs shall be resolved by the board of directors and reported to the shareholders' meeting.

Article 21: If the company has a surplus in its annual final accounts, in addition to paying taxes and making up for accumulated losses (including adjusting the amount of undistributed surplus) according to law, 10% should be raised as a statutory surplus reserve. However, this does not apply when the statutory surplus reserve has reached the total capital. And set aside or reverse the special surplus reserve in accordance with laws and regulations. If there is any remaining balance, together with the undistributed surplus at the beginning of the period (including the adjusted undistributed surplus amount), the board of directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of shareholder dividends.

The company's dividend policy will consider the company's future business expansion plans, capital needs, and domestic and foreign competition conditions, and take into account factors such as shareholders' interests, and allocate more than 50% of the distributable earnings in Article 20 to distribute shareholder dividends, of which cash dividends Not less than 30% of the total amount of dividends. However, the type and ratio of such surplus distribution may be adjusted by resolution of the shareholders' meeting depending on the actual profit and capital status of the year.

Article 21-1: If the company needs to cancel the public offering, it shall submit a resolution of the shareholders' meeting for approval. And this provision will not be changed during the period of emerging and listing.

Chapter 7 Supplementary Provisions

Article 22: Matters not covered in this Articles of Association shall be handled in accordance with the provisions of the Company Law and relevant laws and regulations.

Article 23: This constitution was established on December 7, 1987.

The first amendment was on July 20, 1989.

The second amendment was on May 2, 1990.

The third amendment was on March 20, 1992.

Amendment 4 on July 15, 1997.

Amendment 5 on June 29, 1998.

Amendment 6 on June 25, 1999.

Amendment 7 on July 5, 2000.

Amendment 8 on August 10, 2000.

Amendment 9 on April 16, 2001.

Amendment 10 on November 25, 2002.

Amendment 11 on June 27, 2003.

Amendment 12 June 14, 2004.

Amendment 13 June 14, 2005.

Amendment 14 June 20, 2006.

Amendment 15 on June 8, 2007.

Amendment 16 June 19, 2009.

Amendment 17 on June 18, 2010.

Amendment 18 on June 22, 2012.

Amendment 19 on June 28, 2013.

Amendment 20 on June 30, 2015.

Amendment 21 on June 29, 2016.

Amendment 22 on June 28, 2017.

Amendment 23 on June 27, 2019.

Amendment 24 on June 23, 2020.

Amendment 25 on August 27, 2021.

Amendment 26 June 29, 2022.

Appendix 3

Bestec Power Electronics Co., Ltd.

Shareholding of all directors

1. According to Article 26 of the Securities Exchange Act, all directors of the company shall hold a minimum of 5,654,722 shares.
2. As of April 22, 2023, the shareholding status of individual and all directors recorded in the shareholder register is as follows:

Title	Name	Number of shares held
Chairman	FORFUNE INTERNATIONAL CO., LTD: Chen Mingzhi	16,255,614
Vice Chairman	Deng Ruiling	1,082,561
Director	Ye Yongcheng	381,719
Director	Chen Xiumei	3,074,111
Independent Director	Hu Senxiong	24,723
Independent Director	Chen Qiulin	4,290
Independent Director	Jian Junyan	0
Total		20,823,018

Note 1: The company shall end the date when the shareholders meeting closes the transfer of accounts. The total number of shares held by all directors is 20,823,018 shares. Comply with the provisions of Article 26 of the Securities Exchange Law.