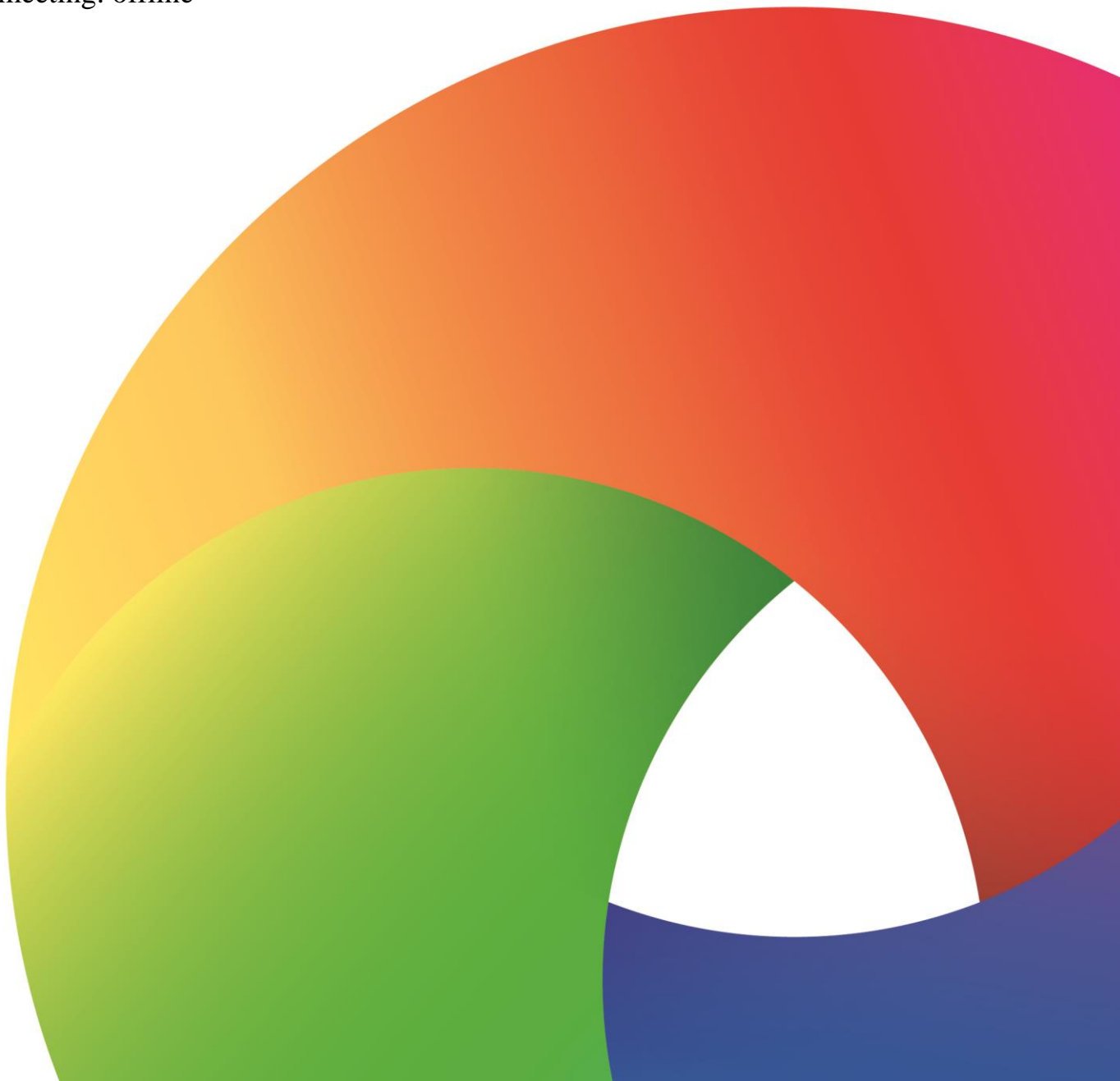


泰詠電子股份有限公司

TOP UNION ELECTRONICS CORP.

Handbook for the 2023 Annual Meeting of Shareholders

Time: 9:00 a.m. on Friday, May 19th, 2023
Place: No. 480, Niupu East Road, Hsinchu City
Mode of meeting: offline



TOP UNION ELECTRONICS CORP.

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TOP UNION ELECTRONICS CORP.
Procedure for the 2022 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Takes Chair
3. Chairperson Remarks
4. Report Items
5. Ratification Items
6. Discussion Items
7. Elections
8. Other Business Motions
9. Questions and Motions
10. Adjournment

TOP UNION ELECTRONICS CORP. Year 2022 Agenda of Annual Meeting of Shareholders

1. **Time:** 9:00 a.m. on Friday, May 19th, 2023
2. **Place:** No. 480, Niupu East Road, Hsinchu City (Mode of meeting: offline)
3. **Attendees:** All Shareholders and Equity Representatives
4. **Chairperson:** Vincent Tsuei, Chairman of the Board
5. **Chairperson Remarks**
6. **Report Items** (Reports on Company Affairs)
 - (1) 2022 Report on Distribution of compensation for Employees, Directors and Supervisors
 - (2) 2022 Business Report
 - (3) 2022 Audit Committee Audit Reports
 - (4) 2022 Profits Distribution and Cash Dividend Status Report
7. **Ratification Items**
 - (1) 2022 Business Report and Financial Statements
 - (2) 2022 Profits Distribution
8. **Discussion Items**
 - (1) Proposal for a new share issue through capitalization of earnings
9. **Elections**
 - (1) The 12th Election of Directors
10. **Other Business Motions**
 - (1) Release the Prohibition on Directors from Participation in Competitive Business
11. **Questions and Motions**
12. **Adjournment**

Report Items (Reports on Company Affairs)

1

Proposal: 2022 The Status of Report on Distribution of compensation for Employees

Explanation: 1. According to Article 21 of the Corporate Charter, if there are profits in the year, 6% should be set aside as employee compensation and no more than 2.3% as director and supervisor compensation.

2. After reporting to the 7th meeting of the 4th Compensation Committee, it is proposed to set aside 6% of employee compensation at NT\$26,593,935 and 2.3% of directors' compensation at NT\$10,194,342, which will be distributed in cash.

2

Proposal: 2022 Business Report

Explanation: For the 2022 Business Report, please refer to page 8 (Attachment I) for details.

3

Proposal: 2022 Audit Committee Audit Reports

Explanation: For the 2022 Audit Committee Audit Reports, please refer to page 9 (Attachment II) for details.

4

Proposal: 2022 Profits Distribution and Cash Dividend Status Report

Explanation: 1. According to Article 21-2 of the Corporate Charter and Article 240, Paragraph 5 of Company Act, the Company authorizes the Board of Directors to vote with more than two-thirds of the directors present and a majority of the directors present. Dividends and bonuses or all or part of the legal reserve and capital reserve in accordance with Paragraph 1 of Article 241 of the Company Act shall be distributed in the form of cash and reported to the shareholders' meeting.

2. Set aside shareholder dividends of NT\$148,107,212 to distribute cash dividends, and distribute NT\$1.2 per share.

Ratification Items

1. Proposed by the Board
Proposal: Adoption of the 2022 Business Report and Financial Statements
Explanation: 1. The 2022 Business Report and Financial Statements were approved by the board of directors on February 22th, 2023, and submitted to the audit committee for audit review.
2. The above-mentioned Business Report and Financial Statements are attached in the meeting agenda, page 8 (Attachment I) and 10-29 (Attachment III-IV).

Resolution:

2. Proposed by the Board
Proposal: Adoption of the Proposal for Distribution of 2022 Profits
Explanation: The net profit after-tax of 2022 is NT\$329,425,899. After consideration by the Board of Directors of the Company's long term capital planning and meeting cash flow requirements, the distribution is as follow in accordance with the Corporate Charter:
1. Legal reserve is NT\$33,055,666
 2. Based on the number of outstanding shares on the Board of Directors' resolution date, NT\$296,214,422 is set aside for the distribution of shareholder dividends, among which stock dividends are NT\$148,107,210 and cash dividends are NT\$148,107,212. The distribution ratio of stock dividends is 50% at NT \$1.2 per share, i.e., 120 shares are issued for every one thousand shares. The cash dividend distribution ratio is 50% at NT \$1.2 per share.
 3. If the number of shares in circulation and the dividend ratio of shareholders are affected by changes in the company's shares subsequently, it is proposed that Shareholder Meeting should authorize the Board of Directors to adjust the ratio according to the shareholding ratio of shareholders in the register of shareholders on the record date of ex-right and ex-dividend.
 4. The distribution of cash dividends to shareholders is calculated up to NT\$1. Any amount less than NT\$1 will be treated as other income of the company.
 5. Propose for the distribution of 2022 profits for the meeting and authorize the chairman to set the report date for dividend distribution and other related matters.

TOP UNION ELECTRONICS CORP.
Profits Distribution
2022

Unit: NT\$

Items	Value	Distributable items		Distribution principle
		Stock	Cash	
Unappropriated retained earnings of prior years	97,253,553			
Plus: 2022 net profit	329,425,899			
Plus: actuarial losses included in retained earnings	1,130,764			
Minus: appropriate legal reverse	(33,055,666)			
Distributable net profit of current year	297,500,997			
Distributable net profit of current period	394,754,550			
Distributed item: Dividend to shareholders	296,214,422	148,107,210	148,107,212	Stock: 120 shares/thousand shares Cash: NT\$1,200/thousand shares
Unappropriated retained earnings	98,540,128			

Chairman: Vincent Tsuei

Manager: James Wang

Accounting supervisor: Vicky Chou

Resolution:

Discussion Items

1.

Proposed by the Board

Proposal: Proposal for a new share issue through capitalization of earnings

Explanation: 1. New share issue through capitalization of earnings:

- (1) It is proposed to issue 14,810,721 new shares with NT\$148,107,210, shareholder bonus of 2022 profit distribution, each with a par value of NT\$10, and 120 shares are issued for every one thousand shares.
 - (2) If the number of shares in circulation and the dividend ratio of shareholders are affected by changes in the company's shares subsequently, it is proposed that Shareholder Meeting should authorize the Board of Directors to adjust the ratio according to the shareholding ratio of shareholders in the register of shareholders on the record date of ex-right and ex-dividend.
2. Shareholding of less than one share after reduction of the new share issue should be assembled by the shareholders themselves and registered with the stock agency of the company within five days from the book closure date. Fractional shares or shareholding of less than one share will be exchanged as cash until NT\$1, and will be purchased by persons arranged by the Chairman as authorized by the Board.
 3. The right and obligation of this new share issue through capitalization of earnings are the same as those of the original shares. After being proposed to the Shareholder Meeting and approved by the competent authorities, the Board of Directors will set another record date for allotment. It is proposed that the Board of Directors be authorized to take any action that may be required in connection with the new share issue as a result of any amendment required by the competent authorities.

Resolution:

Elections

1. Proposed by the Board
Proposal: The 12th Election of Directors
Explanation: 1. Due to the end term of 11th Board, the company proposes to elect new Board members at this Shareholder Meeting.
 2. The Shareholder Meeting shall elect 11 directors with 4 independent directors included, and the election will be held under a candidate nomination system. Their three-year term will start from 05/19/2023 and conclude on 05/18/2026.
 3. For the list of candidates for director and independent director, please refer to pp. 30-32 of the Handbook (Attachment V).

Resolution:

Other Business Motions

1. Proposed by the Board
Proposal: Proposal for Release the Prohibition on new Directors from Participation in Competitive Business. Please proceed to discuss.
Explanation: 1. In accordance with Article 209, Paragraph 1 of the Company Act, “Directors shall explain the important contents of their actions to the shareholder meeting and obtain permission for their actions within the business scope of the company for themselves or others ”.
 2. Without compromising the interests of the company, it is proposed that shareholder meeting approves the proposal for release the prohibition on new Directors from participation in competitive business. If the directors are legal shareholders, their representatives are also requested to be released.
 3. The part-time status of new Directors is as follows

Director	Company Name	Position
Vincent Tsuei	Top Union Electronics (Shanghai) Corp.	Chairman
	Top Union Electronics (Suzhou) Corp.	Chairman
Chuang, Yung-Shun	Top Union Electronics (Suzhou) Corp.	Director
Song, Ying-Quan	Gigatek Inc.	Chairman
	Yaga Inc.	

Resolution:

Questions and Motions

Adjournment

Attachment I

TOP UNION ELECTRONICS CORP.

Audit Committee Audit Reports

Business Report

The 2022 year has been an incredible one, the globalization forced by geopolitical constraints cast a shadow over the free trade. A new Cold War between the United States and China has begun. The chaos of the supply chain in the past three years has implicitly added more variables. A stable and reliable new order to be built should be built, however, there are still many unknown.

Although the company continuously improve and break records in revenue and profit, they are not the most important factor for the company's growth. Physique and strength are the absolute real power which construct the basis for company's long-term growth! Having more professional service capabilities is always our top priority!

The company's annual revenue and profit in 2022 set a new record. Among them, the Taiwan plant contributed the most, while the performance of Suzhou plant and Shanghai plant declined, impacted by the anti-China strategy. It is urgent to actively carry out and expand the proportion of localized operation, in order to create professional service capability. Compared with 2021, the annual revenue of 2022 increased by nearly 30% to about NT\$3.29 billion, the annual after-tax surplus was NT \$329 million, with an increase of about 102.7%, and the ROE was 17.4%.

The year of 2023 not only brings the reopening of the epidemic but also the ease of materials shortage. However, we never know that the further deterioration of China–United States relations causes inflation, rising interest rates, and unsteady supply chains. The inflationary spike of household goods implies drastic changes in the business and living environment, we cannot let our guard down regardless of the scale or frequency of the impact. We will face it, accept it, and respond to it calmly because we are always encouraged by the achievement and pride of our service!

Many thanks to your trust and support for Top Union Electronics Corp., the company will gradually show a healthy and efficient enterprise under the natural evolution with strong faith and determination. The company will gradually show a healthy and efficient enterprise under the natural evolution. We will grow and gain, and give feedback to the society and you with more fruitful business results!

Sincerely,

Chairman: Vincent Tsuei

Manager: James Wang

Accounting supervisor: Vicky Chou

Attachment II

TOP UNION ELECTRONICS CORP. Audit Committee Audit Reports

The board of directors submit the Business Report, Financial Statements and Proposal of Profits Distribution of the Company for the year 2022; Among them, the company's Financial Statements were audited by Deloitte Touche Tohmatsu Limited, and the audit report has been issued.

The above Business Report, Financial Statements, and Proposal of Profits Distribution have been reviewed by the Audit Committee and found to be consistent. Please check and approve the above reports in accordance with the relevant provisions of the Securities Exchange Law and the Company Act.

Sincerely,

Top Union Electronics Corp.

Convenor of Audit Committee: Chuang, Yung-Shun

February 22th, 2023

Attachment III: 2022 Individual Financial Statements and Audit Reports

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Top Union Electronics Corp.

Opinion

We have audited the accompanying parent company only financial statements of Top Union Electronics Corp. (hereinafter referred to as the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's parent company only financial statements for the year ended December 31, 2022 is stated as follows:

Revenue Recognition

The net operating revenue of the Company for the year ended December 31, 2022 is in the amount of NT\$3,059,992 thousand, the revenue of which majorly depends on the business of PCB Assembly and Manufacturing, etc., bringing the significant effect on the parent company only financial statements. Please refer to Notes 4 and 19 to the parent company only financial statements for the relevant accounting policies and information on revenue recognition.

The Company's sales businesses are concentrated on the major customers including domestic and foreign listed companies and private companies, among which when the sales growth rate from a customer exceeds the average sales growth rate and also its sales growth amount exceeds the significant amount of the Company for the year ended December 31, 2022, whether there are certain orders in fact unshipped to the aforesaid customers but the amount of those unshipped orders is still recognized on the revenue is regarded as the risks, considered by us to be a key audit matter for the year ended December 31, 2022.

We performed the following key audit procedures in respect of the above key audit matter:

1. Understand and examine the major internal control design on the process related to sales revenue and the execution effectiveness thereof.
2. Sample the aforesaid customers regarded as the risks on the lists of the sales revenue, check over the original orders confirmed by the sampled customers, the signed delivery receipt or export declaration and Taiwan uniform invoice or commercial invoice, and verify the correspondence between the remittance proof slip reflecting to the actual amount received and the amount recognized on the revenue; for those whose accounts payable have not been received, check whether the relevant documents of the accounts are within the credit period.

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

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not

be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Su-Li Fang and Ming-Hui Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 20, 2023

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 0940161384

Ministry of Finance Approved-certified No.:
Jin-Guan-Certificate-6 No. 0930128050

TOP UNION ELECTRONICS CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Code	ASSETS	December 31, 2022		December 31, 2021		Code	LIABILITIES AND EQUITY	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
	CURRENT ASSETS						CURRENT LIABILITIES				
1100	Cash and cash equivalents (Notes 4, 6 and 25)	\$ 509,134	16	\$ 86,851	3	2100	Short-term loans (Notes 4, 15, 25 and 27)	\$ 58,000	2	\$ 400,000	13
1136	Current financial assets at amortized cost (Notes 4, 7 and 25)	84,760	3	76,397	2	2130	Current contract liabilities (Notes 4 and 19)	167,343	5	102,455	3
1170	Accounts receivable, net (Notes 4, 5, 8, 19 and 25)	293,788	9	434,138	15	2170	Accounts payable (Note 25)	473,507	15	577,519	20
1180	Receivables from related parties (Notes 4, 5, 25 and 26)	6,562	-	1,994	-	2180	Payables to related parties (Notes 25 and 26)	43,775	1	44,869	1
130X	Inventories (Notes 4, 5 and 9)	1,111,639	35	1,180,302	40	2206	Accrued profit sharing bonus to employees and compensation to directors (Note 20)	36,788	1	18,175	1
1470	Other current assets (Note 14)	29,697	1	48,898	2	2230	Current income tax liabilities (Notes 4 and 21)	49,538	2	19,915	1
11XX	Total current assets	<u>2,035,580</u>	<u>64</u>	<u>1,828,580</u>	<u>62</u>	2280	Current lease liabilities (Notes 4, 12 and 25)	5,850	-	773	-
	NON-CURRENT ASSETS					2399	Other payables and other current liabilities (Notes 16 and 25)	<u>103,020</u>	<u>3</u>	<u>110,612</u>	<u>4</u>
1550	Investments accounted for using equity method (Notes 4 and 10)	649,034	21	588,250	20	21XX	Total current liabilities	<u>937,821</u>	<u>29</u>	<u>1,274,318</u>	<u>43</u>
1600	Property, plant and equipment (Notes 4, 11 and 27)	450,565	14	516,338	18		NON-CURRENT LIABILITIES				
1755	Right-of-use assets (Notes 4 and 12)	26,234	1	3,161	-	2570	Deferred income tax liabilities (Notes 4 and 21)	16,278	1	5,205	-
1780	Intangible assets (Notes 4 and 13)	4,599	-	1,421	-	2580	Non-current lease liabilities (Notes 4, 12 and 25)	20,469	1	2,415	-
1840	Deferred income tax assets (Notes 4 and 21)	7,716	-	8,664	-	2640	Net defined benefit liability (Notes 4 and 17)	13,521	-	29,356	1
1915	Prepayments for business facilities	956	-	2,409	-	2645	Guarantee deposits (Note 25)	<u>31,454</u>	<u>1</u>	<u>9,268</u>	<u>1</u>
1920	Refundable deposits (Notes 4 and 25)	900	-	16	-	25XX	Total non-current liabilities	<u>81,722</u>	<u>3</u>	<u>46,244</u>	<u>2</u>
15XX	Total non-current assets	<u>1,140,004</u>	<u>36</u>	<u>1,120,259</u>	<u>38</u>	2XXX	Total liabilities	<u>1,019,543</u>	<u>32</u>	<u>1,320,562</u>	<u>45</u>
							EQUITY (Notes 4, 18 and 23)				
							Share capital				
						3110	Common stock	<u>1,234,226</u>	<u>39</u>	<u>1,023,598</u>	<u>35</u>
						3200	Capital surplus	<u>257,983</u>	<u>8</u>	<u>138,283</u>	<u>4</u>
							Retained earnings				
						3310	Appropriated as legal capital reserve	198,419	6	182,652	6
						3350	Unappropriated earnings	<u>427,810</u>	<u>14</u>	<u>254,278</u>	<u>9</u>
						3300	Total retained earnings	<u>626,229</u>	<u>20</u>	<u>436,930</u>	<u>15</u>
						3400	Other equity interest	<u>37,603</u>	<u>1</u>	<u>29,466</u>	<u>1</u>
						3XXX	Total equity	<u>2,156,041</u>	<u>68</u>	<u>1,628,277</u>	<u>55</u>
1XXX	Total assets	<u>\$ 3,175,584</u>	<u>100</u>	<u>\$ 2,948,839</u>	<u>100</u>		Total liabilities and equity	<u>\$ 3,175,584</u>	<u>100</u>	<u>\$ 2,948,839</u>	<u>100</u>

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

Chairman: Vincent Tsuei

Managerial Officer: James Wang

Accounting Officer: Vicky Chou

TOP UNION ELECTRONICS CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Code		2022		2021	
		Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 4, 19 and 26)	\$ 3,059,992	100	\$ 2,316,548	100
5000	COST OF REVENUE (Notes 4, 9, 17, 20 and 26)	<u>2,571,140</u>	<u>84</u>	<u>2,038,407</u>	<u>88</u>
5900	GROSS PROFIT	488,852	16	278,141	12
5910	REALIZED (UNREALIZED) GAIN (LOSS) FROM AFFILIATE ACCOUNTS	(<u>1,548</u>)	<u>-</u>	<u>1,182</u>	<u>-</u>
5950	REALIZED GROSS PROFIT	<u>487,304</u>	<u>16</u>	<u>279,323</u>	<u>12</u>
	OPERATING EXPENSES (Notes 4, 8, 17 and 20)				
6100	Sales and marketing	27,791	1	21,130	1
6200	General and administrative	93,660	3	62,692	2
6300	Research and development	21,276	1	18,875	1
6450	Expected credit impairment losses	<u>-</u>	<u>-</u>	<u>3,634</u>	<u>-</u>
6000	Total operating expenses	<u>142,727</u>	<u>5</u>	<u>106,331</u>	<u>4</u>
6900	INCOME FROM OPERATIONS	<u>344,577</u>	<u>11</u>	<u>172,992</u>	<u>8</u>
	NON-OPERATING INCOME AND EXPENSES (Note 20)				
7100	Interest income	1,708	-	238	-
7010	Other income	1,140	-	1,140	-
7020	Other gains and losses	9,955	-	(5,095)	-
7050	Finance costs	(5,131)	-	(2,392)	-
7070	Share of profit (loss) of subsidiaries accounted for using equity method	<u>54,195</u>	<u>2</u>	<u>33,917</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>61,867</u>	<u>2</u>	<u>27,808</u>	<u>1</u>

(Continued)

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
7900	INCOME BEFORE INCOME TAX	\$ 406,444	13	\$ 200,800	9
7950	INCOME TAX EXPENSE (Notes 4 and 21)	<u>77,018</u>	<u>2</u>	<u>38,262</u>	<u>2</u>
8200	NET INCOME	<u>329,426</u>	<u>11</u>	<u>162,538</u>	<u>7</u>
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 17 and 18)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation	1,129	-	(4,867)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations	<u>8,137</u>	<u>-</u>	<u>(3,944)</u>	<u>-</u>
8300	Other comprehensive income (loss), net of income tax	<u>9,266</u>	<u>-</u>	<u>(8,811)</u>	<u>-</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 338,692</u>	<u>11</u>	<u>\$ 153,727</u>	<u>7</u>
	EARNINGS PER SHARE (NT\$, Note 22)				
9750	Basic earnings per share	<u>\$ 3.00</u>		<u>\$ 1.49</u>	
9850	Diluted earnings per share	<u>\$ 2.97</u>		<u>\$ 1.48</u>	

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

Chairman: Vincent Tsuei Managerial Officer: James Wang Accounting Officer: Vicky Chou

TOP UNION ELECTRONICS CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Code		Share Capital – Common Stock		Capital Surplus	Retained Earnings		Other Equity Interest	Total Equity
		Shares (In Thousands)	Amount		Legal Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	
A1	BALANCE, JANUARY 1, 2021	98,946	\$ 989,462	\$ 138,283	\$ 167,464	\$ 248,340	\$ 33,410	\$ 1,576,959
	Appropriations of 2020 retained earnings							
B1	Legal capital reserve	-	-	-	15,188	(15,188)	-	-
B5	Cash dividends to the Company's shareholders	-	-	-	-	(102,409)	-	(102,409)
B9	Stock dividends to the Company's shareholders	3,414	34,136	-	-	(34,136)	-	-
D1	Net income in 2021	-	-	-	-	162,538	-	162,538
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	(4,867)	(3,944)	(8,811)
D5	Total comprehensive income (loss) in 2021	-	-	-	-	157,671	(3,944)	153,727
Z1	BALANCE, DECEMBER 31, 2021	102,360	1,023,598	138,283	182,652	254,278	29,466	1,628,277
	Appropriations of 2021 retained earnings							
B1	Legal capital reserve	-	-	-	15,767	(15,767)	-	-
B5	Cash dividends to the Company's shareholders	-	-	-	-	(70,628)	-	(70,628)
B9	Stock dividends to the Company's shareholders	7,063	70,628	-	-	(70,628)	-	-
D1	Net income in 2022	-	-	-	-	329,426	-	329,426
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	1,129	8,137	9,266
D5	Total comprehensive income (loss) in 2022	-	-	-	-	330,555	8,137	338,692
N1	Share-based compensation	-	-	7,700	-	-	-	7,700
E1	Seasoned equity offerings	14,000	140,000	112,000	-	-	-	252,000
Z1	BALANCE, DECEMBER 31, 2022	123,423	\$ 1,234,226	\$ 257,983	\$ 198,419	\$ 427,810	\$ 37,603	\$ 2,156,041

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

Chairman: Vincent Tsuei

Managerial Officer: James Wang

Accounting Officer: Vicky Chou

TOP UNION ELECTRONICS CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 406,444	\$ 200,800
A20000	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	77,395	67,056
A20200	Amortization expense	3,086	3,338
A20300	Expected credit impairment losses	-	3,634
A20900	Finance costs	5,131	2,392
A21200	Interest income	(1,708)	(238)
A21900	Share-based compensation	7,700	-
A22400	Share of profit (loss) of subsidiaries		
	accounted for using equity method	(54,195)	(33,917)
A20400	Gains on financial assets at fair value		
	through profit or loss	(908)	-
A22500	Loss (gain) on disposal of property,		
	plant and equipment, net	103	(300)
A23700	Loss for market price decline and		
	obsolete and slow-moving		
	inventories	8,218	11,693
A23900	Realized (unrealized) gain (loss) from		
	inter-affiliate accounts	1,548	(1,182)
A24100	Loss (gain) on foreign exchange, net	(14,387)	5,490
A30000	Changes in operating assets and		
	liabilities		
A31150	Accounts receivable	141,900	(166,650)
A31160	Receivables from related parties	(4,568)	8,280
A31200	Inventories	60,445	(619,653)
A31240	Other current assets	19,757	(37,490)
A32125	Contract liabilities	64,888	53,773
A32150	Accounts payable	(99,871)	304,348
A32160	Payables to related parties	(1,094)	19,089
A32180	Accrued profit sharing bonus to		
	employees and compensation		
	to directors	18,613	2,076
A32230	Accrued expenses and other		
	current liabilities	6,960	22,841
A32240	Net defined benefit liability	(14,706)	(975)
A33000	Cash generated from operations	630,751	(155,595)
A33100	Interest received	1,152	267
A33300	Interest paid	(5,231)	(2,321)
A33500	Income tax paid	(35,374)	(16,324)
AAAA	Net cash generated by (used in)		
	operating activities	<u>591,298</u>	<u>(173,973)</u>

(Continued)

(Continued)

Code		2022	2021
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00100	Acquisition of financial instruments at fair value through profit or loss	(\$ 10,000)	\$ -
B00200	Sale of financial instruments at fair value through profit or loss	10,908	-
B02700	Acquisition of property, plant and equipment	(24,026)	(100,974)
B02800	Proceeds from disposal or redemption of property, plant and equipment	-	530
B03800	Refundable deposits refunded	(884)	-
B04500	Acquisition of intangible assets	(6,264)	-
B07100	Decrease (increase) in prepaid of equipment	<u>1,453</u>	<u>(2,409)</u>
BBBB	Net cash used in investing activities	<u>(28,813)</u>	<u>(102,853)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	1,048,000	1,217,000
C00200	Decrease in short-term loans	(1,390,000)	(979,000)
C03000	Increase in guarantee deposits received	22,186	-
C04020	Repayment of the principal portion of lease liabilities	(2,093)	(647)
C04500	Cash dividends paid	(70,628)	(102,409)
C04600	Seasoned equity offerings	<u>252,000</u>	<u>-</u>
CCCC	Net cash generated by (used in) financing activities	<u>(140,535)</u>	<u>134,944</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>333</u>	<u>(5,434)</u>
EEEE	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	422,283	(147,316)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>86,851</u>	<u>234,167</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 509,134</u>	<u>\$ 86,851</u>

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

Chairman: Vincent Tsuei Managerial Officer: James Wang Accounting Officer: Vicky Chou

Attachment IV. 2022 Consolidated Financial Statements and Audit Reports

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Top Union Electronics Corp.

Opinion

We have audited the accompanying consolidated financial statements of Top Union Electronics Corp. and its subsidiaries (hereinafter referred to as the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

Revenue Recognition

The net operating revenue of the Company for the year ended December 31, 2022 is in the amount of NT\$3,294,689 thousand, the revenue of which majorly depends on the business of PCB Assembly and Manufacturing, etc., bringing the significant effect on the consolidated financial statements. Please refer to Notes 4 and 19 to the consolidated financial statements for the relevant accounting policies and information on revenue recognition.

The Company's sales businesses are concentrated on the major customers including domestic and foreign listed companies and private companies, among which when the sales growth rate from a customer exceeds the average sales growth rate and also its sales growth amount exceeds the significant amount of the Company for the year ended December 31, 2022, whether there are certain orders in fact unshipped to the aforesaid customers but the amount of those unshipped orders is still recognized on the revenue is regarded as the risks, considered by us to be a key audit matter for the year ended December 31, 2022.

We performed the following key audit procedures in respect of the above key audit matter:

1. Understand and examine the major internal control design on the process related to sales revenue and the execution effectiveness thereof.
2. Sample the aforesaid customers regarded as the risks on the lists of the sales revenue, check over the original orders confirmed by the sampled customers, the signed delivery receipt or export declaration and Taiwan uniform invoice or commercial invoice, and verify the correspondence between the remittance proof slip reflecting to the actual amount received and the amount recognized on the revenue; for those whose accounts payable have not been received, check whether the relevant documents of the accounts are within the credit period.

Other Matter

We have also audited the parent company only financial statements of Top Union Electronics Corp. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Su-Li Fang and Ming-Hui Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 20, 2023

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 0940161384

Ministry of Finance Approved-certified No.:
Jin-Guan-Certificate-6 No. 0930128050

TOP UNION ELECTRONICS CORP. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Code	ASSETS	December 31, 2022		December 31, 2021		Code	LIABILITIES AND EQUITY	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
	CURRENT ASSETS						CURRENT LIABILITIES				
1100	Cash and cash equivalents (Notes 4, 6 and 25)	\$ 693,248	22	\$ 300,476	10	2100	Short-term loans (Notes 4, 15, 25 and 27)	\$ 58,000	2	\$ 400,000	13
1136	Current financial assets at amortized cost (Notes 4, 7, 25 and 27)	94,677	3	86,171	3	2130	Current contract liabilities (Notes 4 and 19)	167,343	5	102,455	3
1150	Notes receivable (Notes 4, 8 and 25)	15,019	-	18,534	1	2170	Accounts payable (Note 25)	491,811	15	607,010	20
1170	Accounts receivable, net (Notes 4, 5, 8, 19 and 25)					2206	Accrued profit sharing bonus to employees and compensation to directors (Note 20)	36,788	1	18,175	1
		344,682	11	536,293	18	2230	Current income tax liabilities (Notes 4 and 21)	50,678	2	19,915	1
1220	Current income tax assets (Notes 4 and 21)	-	-	6,282	-	2280	Current lease liabilities (Notes 4, 12 and 25)	14,769	1	7,613	-
130X	Inventories (Notes 4, 5 and 9)	1,143,502	36	1,192,712	40	2399	Other payables and other current liabilities (Notes 16 and 25)	<u>128,537</u>	<u>4</u>	<u>139,005</u>	<u>5</u>
1479	Other current assets (Note 14)	43,826	1	61,325	2	21XX	Total current liabilities	<u>947,926</u>	<u>30</u>	<u>1,294,173</u>	<u>43</u>
11XX	Total current assets	<u>2,334,954</u>	<u>73</u>	<u>2,201,793</u>	<u>74</u>		NON-CURRENT LIABILITIES				
	NON-CURRENT ASSETS					2570	Deferred income tax liabilities (Notes 4 and 21)	16,278	-	5,205	-
1535	Non-current financial assets at amortized cost (Notes 4, 7 and 25)	242,440	8	173,760	6	2580	Non-current lease liabilities (Notes 4, 12 and 25)	22,643	1	4,695	-
1600	Property, plant and equipment (Notes 4, 11 27 and 30)	553,750	18	561,394	19	2640	Net defined benefit liability (Notes 4 and 17)	13,521	-	29,356	1
1755	Right-of-use assets (Notes 4, 12 and 30)	37,551	1	12,740	1	2645	Guarantee deposits (Note 25)	<u>31,454</u>	<u>1</u>	<u>9,268</u>	<u>1</u>
1780	Intangible assets (Notes 4, 13 and 30)	4,726	-	1,653	-	25XX	Total non-current liabilities	<u>83,896</u>	<u>2</u>	<u>48,524</u>	<u>2</u>
1840	Deferred income tax assets (Notes 4 and 21)	7,942	-	9,510	-	2XXX	Total liabilities	<u>1,031,822</u>	<u>32</u>	<u>1,342,697</u>	<u>45</u>
1915	Prepayments for business facilities (Note 30)	1,055	-	6,024	-		EQUITY (Notes 4, 18 and 23)				
1920	Refundable deposits (Notes 4 and 25)	<u>5,445</u>	<u>-</u>	<u>4,100</u>	<u>-</u>		Share capital				
15XX	Total non-current assets	<u>852,909</u>	<u>27</u>	<u>769,181</u>	<u>26</u>	3110	Common stock	<u>1,234,226</u>	<u>39</u>	<u>1,023,598</u>	<u>34</u>
						3200	Capital surplus	<u>257,983</u>	<u>8</u>	<u>138,283</u>	<u>5</u>
							Retained earnings				
						3310	Appropriated as legal capital reserve	198,419	6	182,652	6
						3350	Unappropriated earnings	<u>427,810</u>	<u>14</u>	<u>254,278</u>	<u>9</u>
						3300	Total retained earnings	<u>626,229</u>	<u>20</u>	<u>436,930</u>	<u>15</u>
						3400	Other equity interest	<u>37,603</u>	<u>1</u>	<u>29,466</u>	<u>1</u>
						3XXX	Total equity	<u>2,156,041</u>	<u>68</u>	<u>1,628,277</u>	<u>55</u>
1XXX	Total assets	<u>\$ 3,187,863</u>	<u>100</u>	<u>\$ 2,970,974</u>	<u>100</u>		Total liabilities and equity	<u>\$ 3,187,863</u>	<u>100</u>	<u>\$ 2,970,974</u>	<u>100</u>

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

Chairman: Vincent Tsuei

Managerial Officer: James Wang

Accounting Officer: Vicky Chou

TOP UNION ELECTRONICS CORP. and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Code		2022		2021	
		Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 4, 19 and 30)	\$ 3,294,689	100	\$ 2,549,100	100
5000	COST OF REVENUE (Notes 4, 9, 17 and 20)	<u>2,705,401</u>	<u>82</u>	<u>2,184,170</u>	<u>86</u>
5900	GROSS PROFIT	<u>589,288</u>	<u>18</u>	<u>364,930</u>	<u>14</u>
	OPERATING EXPENSES (Notes 4, 8, 17 and 20)				
6100	Sales and marketing	45,661	1	37,959	1
6200	General and administrative	132,919	4	100,574	4
6300	Research and development	21,684	1	19,219	1
6450	Expected credit impairment losses	<u>-</u>	<u>-</u>	<u>3,418</u>	<u>-</u>
6000	Total operating expenses	<u>200,264</u>	<u>6</u>	<u>161,170</u>	<u>6</u>
6900	INCOME FROM OPERATIONS	<u>389,024</u>	<u>12</u>	<u>203,760</u>	<u>8</u>
	NON-OPERATING INCOME AND EXPENSES (Note 20)				
7100	Interest income	8,695	-	6,103	-
7010	Other income	1,140	-	1,140	-
7020	Other gains and losses	34,590	1	(2,545)	-
7050	Finance costs	(<u>5,799</u>)	<u>-</u>	(<u>3,060</u>)	<u>-</u>
7000	Total non-operating income and expenses	<u>38,626</u>	<u>1</u>	<u>1,638</u>	<u>-</u>
7900	INCOME BEFORE INCOME TAX	427,650	13	205,398	8
7950	INCOME TAX EXPENSE (Notes 4 and 21)	<u>98,224</u>	<u>3</u>	<u>42,860</u>	<u>2</u>
8200	NET INCOME	<u>329,426</u>	<u>10</u>	<u>162,538</u>	<u>6</u>

(Continued)

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 17 and 18)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation	\$ 1,129	-	(\$ 4,867)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations	<u>8,137</u>	-	(<u>3,944</u>)	-
8300	Other comprehensive income (loss), net of income tax	<u>9,266</u>	-	(<u>8,811</u>)	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 338,692</u>	<u>10</u>	<u>\$ 153,727</u>	<u>6</u>
	EARNINGS PER SHARE (NT\$, Note 22)				
9750	Basic earnings per share	<u>\$ 3.00</u>		<u>\$ 1.49</u>	
9850	Diluted earnings per share	<u>\$ 2.97</u>		<u>\$ 1.48</u>	

(Concluded)

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

Chairman: Vincent Tsuei Managerial Officer: James Wang Accounting Officer: Vicky Chou

TOP UNION ELECTRONICS CORP. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Code		Share Capital – Common Stock		Capital Surplus	Retained Earnings		Other Equity Interest	Total Equity
		Shares (In Thousands)	Amount		Legal Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	
A1	BALANCE, JANUARY 1, 2021	98,946	\$ 989,462	\$ 138,283	\$ 167,464	\$ 248,340	\$ 33,410	\$ 1,576,959
	Appropriations of 2020 retained earnings							
B1	Legal capital reserve	-	-	-	15,188	(15,188)	-	-
B5	Cash dividends to the Company's shareholders	-	-	-	-	(102,409)	-	(102,409)
B9	Stock dividends to the Company's shareholders	3,414	34,136	-	-	(34,136)	-	-
D1	Net income in 2021	-	-	-	-	162,538	-	162,538
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	(4,867)	(3,944)	(8,811)
D5	Total comprehensive income (loss) in 2021	-	-	-	-	157,671	(3,944)	153,727
Z1	BALANCE, DECEMBER 31, 2021	102,360	1,023,598	138,283	182,652	254,278	29,466	1,628,277
	Appropriations of 2021 retained earnings							
B1	Legal capital reserve	-	-	-	15,767	(15,767)	-	-
B5	Cash dividends to the Company's shareholders	-	-	-	-	(70,628)	-	(70,628)
B9	Stock dividends to the Company's shareholders	7,063	70,628	-	-	(70,628)	-	-
D1	Net income in 2022	-	-	-	-	329,426	-	329,426
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	1,129	8,137	9,266
D5	Total comprehensive income (loss) in 2022	-	-	-	-	330,555	8,137	338,692
N1	Share-based compensation	-	-	7,700	-	-	-	7,700
E1	Seasoned equity offerings	14,000	140,000	112,000	-	-	-	252,000
Z1	BALANCE, DECEMBER 31, 2022	123,423	\$ 1,234,226	\$ 257,983	\$ 198,419	\$ 427,810	\$ 37,603	\$ 2,156,041

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

Chairman: Vincent Tsuei

Managerial Officer: James Wang

Accounting Officer: Vicky Chou

TOP UNION ELECTRONICS CORP. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 427,650	\$ 205,398
A20000	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	116,359	100,918
A20200	Amortization expense	3,195	3,656
A20300	Expected credit impairment losses	-	3,418
A20400	Gains on financial assets at fair value through profit or loss	(908)	-
A20900	Finance costs	5,799	3,060
A21200	Interest income	(8,695)	(6,103)
A21900	Share-based compensation	7,700	-
A22500	Gains on disposal of property, plant and equipment, net	(832)	(4,010)
A23700	Loss for market price decline and obsolete and slow-moving inventories	7,331	13,168
A24100	Loss (gain) on foreign exchange, net	(4,579)	756
A29900	Gains on lease modification	-	(4)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	3,515	3,968
A31150	Accounts receivable	192,833	(201,395)
A31200	Inventories	41,851	(617,454)
A31240	Other current assets	25,809	(42,019)
A32125	Contract liabilities	64,888	53,773
A32150	Accounts payable	(111,371)	318,127
A32180	Accrued profit sharing bonus to employees and compensation to directors	18,613	2,076
A32230	Accrued expenses and other current liabilities	4,085	26,980
A32240	Net defined benefit liability	(14,706)	(975)
A33000	Cash generated from operations	778,537	(136,662)
A33100	Interest received	5,132	9,171
A33300	Interest paid	(5,899)	(2,989)
A33500	Income tax paid	(48,538)	(21,578)
AAAA	Net cash generated by (used in) operating activities	<u>729,232</u>	<u>(152,058)</u>

(Continued)

(Continued)

Code		2022	2021
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Acquisition of financial assets at amortized cost	(\$ 66,747)	(\$ 34,452)
B00050	Proceeds from disposal of financial assets at amortized cost	-	43,113
B00100	Acquisition of financial instruments at fair value through profit or loss	(10,000)	-
B00200	Sale of financial instruments at fair value through profit or loss	10,908	-
B02700	Acquisition of property, plant and equipment	(97,531)	(120,565)
B02800	Proceeds from disposal or redemption of property, plant and equipment	989	4,284
B03700	Refundable deposits paid	(1,303)	-
B03800	Refundable deposits refunded	19	37
B04500	Acquisition of intangible assets	(6,264)	(257)
B07100	Increase in prepaid of equipment	(1,055)	(5,989)
BBBB	Net cash used in investing activities	<u>(170,984)</u>	<u>(113,829)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	1,048,000	1,217,000
C00200	Decrease in short-term loans	(1,390,000)	(979,000)
C03000	Increase in guarantee deposits received	22,186	-
C04020	Repayment of the principal portion of lease liabilities	(18,986)	(15,492)
C04500	Cash dividends paid	(70,628)	(102,409)
C04600	Seasoned equity offerings	<u>252,000</u>	<u>-</u>
CCCC	Net cash generated by (used in) financing activities	<u>(157,428)</u>	<u>120,099</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(8,048)</u>	<u>(1,056)</u>
EEEE	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	392,772	(146,844)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>300,476</u>	<u>447,320</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 693,248</u>	<u>\$ 300,476</u>

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

Chairman: Vincent Tsuei Managerial Officer: James Wang Accounting Officer: Vicky Chou

Attachment V(5-1) : List of Candidates for Directors with Independent Directors Included

Position	Name	Number of Shareholding	Main Education and Work Experiences	Current Position
Director	Vincent Tsuei	5,237,506	EMBA of National Chiao Tung University, Researcher of Electronic Laboratories-ITRI	Chairman and CEO of Top Union Electronics Corp. Director-Allied Oriental International Ltd., Top Union Electronics (Shanghai) Corp., Top Union Electronics (Suzhou) Corp.
Director	Omnico International LTD.	5,792,474	California State University Chairman of J.P. Auto Trading Co., Ltd.	Chairman-Omnico International Ltd., Carax International Ltd., Ta Tung Chinaware Co., Ltd. Executive of Taiwan Ceramics Association
Director	Cheng Zhong Investment Co., Ltd.	4,447,205	EMBA of National Taiwan University-Master in International Business Management Section Manager of Electronic Laboratories-ITRI	Chairman and CEO-Marketech International Corp. Chairman-Macrotec Technology Corp., Jixuan Investment Co., Ltd., Mic Techno Co., Ltd. Director-Wt. Microelectronics Co., Ltd., Acter Group Corporation Limited Supervisor-Probleader Co., Ltd.
Director	Song, Ying-Quan	627,708	Graduated from National Chung Hsing University of master's degree in senior managers Graduated from the Department of Electrical Engineering, National Cheng Kung University R&D Manager , Jianhong Electronics Co., Ltd. Director of Sound Department, Pony Canyon Taiwan Inc. Director of Technology, Funai Electronic Co., Ltd.	Chairman-Gigatek Inc., Yaga Inc., Giga-TMS Inc., Chuan Inc, Keiga Electronic Inc., S&E Technology Co., Ltd. Director-Tibbo Technology Inc., Kuanying Investment Co., Ltd.
Director	Lin, Jin-Cai	887,424	New Taipei Municipal Jui-Fang Industrial High School Chairman of Fu-Yuan Construction Co., Ltd.	Chairman-Fu-Yuan Construction Co., Ltd.
Director	Chuang, Yung-Shun	0	EMBA of National Taiwan Tulane University-Master of Business Administration National Taiwan University of Science and Technology-Bachelor of Electronic Engineering	Chairman-Yanxin Investment Co., Ltd., Fuli Investment Co., Ltd., Everfocus Electronics Corp. Chairman-legal representative-AAEON Technology Inc., AAEON (SZ) Technology Inc., Yanyou Investment Co., Ltd., Onyx Healthcare Inc., Onyx Healthcare (Shanghai) Inc. Director-AAEON Foundation, AAEON Electronics Inc., AAEON Technology (Europe) B.V., AAEON Technology GMBH, AAEON Technology Singapore Pte. Ltd., Mcfees Group Inc., Allied Biotech Corp., King Core Electronics Inc., ATECH OEM Inc., Qiye Electronics (Dongguan) Co., Ltd., Outstanding Electronics Manufacture Group Co. Ltd., Machvision, Inc., Machvision (Dongguan), Testing Equipment Inc., Top Union Electronics (Suzhou) Corp., Allied Oriental International Ltd., Litemax Electronics Inc., Litemax Technology, Inc., ONYX Healthcare Europe B.V, ONYX Healthcare USA, Inc Director Legal Representative-iHELPER Inc., WINMATE Inc. XAC Automation Corporation, CHC Healthcare Group, Sunengine Corporation Ltd., New Future Capital Co., Ltd., Ibase Technology Inc. Independent Director-Top Union Electronics Corp., Taiflex Scientific Co., Ltd.
Director	James Wang	887,806	EMBA of National Tsing Hua University Production Management Specialist of Jingsheng Art Ceramics Company	General Manager-Top Union Electronics Corp.
Independent Director	Li, Qing-He	0	EMBA of National Taipei University of Technology Director and General Manage-Lea Hold Enterprise Co., Ltd.	Compensation Committee and Audit Committee-Top Union Electronics Corp. Director and General Manage-Lea Hold Enterprise Co., Ltd. Director-Si-Lumm Co., Ltd. Independent Director and Compensation Committee-TungThih Electronic Co., Ltd °
Independent Director	Yan, Wei-Qun	0	Accounting major in National Cheng Kung University MBA of The City University of New York-Finance	Chairman-ATECH OEM Inc., Qiye Electronics (Dongguan) Co., Ltd., Outstanding Electronics Manufacture Group Co. Ltd., ATECH Technology (Yichang) Ltd., QQE Technology Co., Ltd. Director-AAEON (SZ) Technology Inc., ATECH Technology (SAMOA) Ltd., Growing Profits Group Limited, Outstanding Electronics Manufacturer Group Co.,Ltd., Machvision, Inc., CIPHERLAB Co., Ltd. Supervisor-Cybertek Corporation Independent Director: Abico Avy Co., Ltd., Top Union Electronics Corp.

Independent Director	Huang, Xu-Nan	0	National Chiao Tung University-PhD, Institute of Management Science Ming Chuan University-Dean of School of Management Ming Chuan University-Chair of School of Management National Yunlin University of Science & Technology-Associate Professor, Department of Business Administration Economic Construction Committee of the Executive Yuan- Associate Researcher/Group Leader Executive Director of Taiwan Efficiency and Productivity Association Executive Supervisor of The Global Logistics & Commerce Council of Taiwan Director of Academy of Promoting Economic Legislation Evaluation Committee of Higher Education Evaluation and Accreditation, Evaluation Committee of Taiwan Assessment and Evaluation Association (TWAEA)	Independent Director and Compensation Committee-King Core Electronics Inc., XAC Automation Corporation., Everfocus Electronics Corp. Compensation Committee-Top Union Electronics Corp. Director-Litemax Electronics Inc. Supervisor-Le Young Construction Co., Ltd. Director (Legal Representative)-Sunsino Development Associate Inc. Ming Chuan University-Full-time Professor and Director of SME Innovation and Development Center
Independent Director	Yang, Chang-Mou	0	Cornell University-Master in Materials Science and Engineering, America IBM Corporation Research Division, Almaden Research Center, San Jose, CA. U.S.A Researcher National Tsing Hua University-Professor in Materials Science and Engineering Assistant Professor in Taipei Medical University	Independent Director-Shin Foong Specialty And Applied Materials Co., Ltd.

Attachment V(5-2) : Candidate Review Form (Proposed by Board) of Candidates for Directors with Independent Directors Included

Position	Name	Number of shareholding	Shareholding ratio %	Whether it is proposed within the acceptance period	Whether the nominated shareholder holds more than 1% of the shares on the book closure date	Whether the number of nominees does not exceed the number of candidates	Whether the nominated shareholder states the name, education and experience of the nominee	According to Article 27 of the Company Act, whether the government or a legal person is a shareholder	Whether candidates of independent director meet the regulations of Articles 2, 3, and 4 of the "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to Be Followed"
Director	Vincent Tsuei	5,237,506	4.24%	Yes	Yes	Yes	Yes	No	No
Director	Omnico International LTD.	5,792,474	4.69%	Yes	Yes	Yes	Yes	Yes	No
Director	Cheng Zhong Investment Co., Ltd.	4,447,205	3.60%	Yes	Yes	Yes	Yes	Yes	No
Director	Song, Ying-Quan	627,708	0.51%	Yes	No	Yes	Yes	No	No
Director	Lin, Jin-Cai	887,424	0.72%	Yes	No	Yes	Yes	No	No
Director	Chuang, Yung-Shun	0	0.00%	Yes	No	Yes	Yes	No	No
Director	James Wang	887,806	0.72%	Yes	No	Yes	Yes	No	No
Independent Director	Li, Qing-He	0	0.00%	Yes	No	Yes	Yes	No	Yes
Independent Director	Yan, Wei-Qun	0	0.00%	Yes	No	Yes	Yes	No	Yes
Independent Director	Huang, Xu-Nan	0	0.00%	Yes	No	Yes	Yes	No	Yes
Independent Director	Yang, Chang-Mou	0	0.00%	Yes	No	Yes	Yes	No	Yes

Review Explanation:

1. The Board shall review the qualifications of nominees for the 12th Board. Among them, Mr. Li, Qing-He, the nominee of independent director, has served as an independent director of the Company for three consecutive terms. According to Article 5 of "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to Be Followed", the reasons for the continued nomination of the independent director shall be announced.
2. Mr. Li, Qing-He has rich industrial experience that can provide important advice for the company. Although he has been elected as an independent director of the company for consecutive three terms, the company still needs to rely on their professional skills and expertise to provide supervision and professional advice to the Board in addition to exercising the duties of independent directors.
3. The qualifications of the above nominees were reviewed and approved by the 11th, 20th Shareholder Meeting of the Company on April 6, 2023.

Appendix I: Corporate Charter

Chapter 1 General Provisions

- Article 1: The company is organized in accordance with the provisions of the Company Act, and named TOP UNION ELECTRONICS CORP.
- Article 2: The business of the company:
- (1).CC01030 Manufacturing of electrical and audio-visual electronic products
 - (2).CC01060 Manufacturing of wired communication machinery
 - (3).CC01070 Manufacturing of wireless communication machinery
 - (4).CC01080 Manufacturing of electronic component
 - (5).CC01990 Manufacturing of other electrical and electronic machinery
 - (6).F119010 Electronic materials wholesale
 - (7).F219010 Electronic materials retail
 - (8).F401010 International trade
 - (9).I599990 Other design
 - (10).CC01101 Manufacturing of radio frequency equipment for telecommunication control
 - (11).ZZ99999 In addition to the permitted business, the business that is not prohibited or restricted by law can be operated
- Article 3: The head office of the company is located in Hsinchu. If necessary, branches may be established at home and abroad by the resolution of the Board and with the consent of the competent authorities.
- Article 4: The company can invest and guarantee externally, and is not subject to the restrictions stipulated in Article 13 of the Company Act that "the total investment shall not exceed 40% of the company's paid-in share capital". Any reinvestment matters shall be handled by resolution of the Board.

Chapter 2 Shares

- Article 5: The company's total capital is rated at NT\$1.8 billion, divided into 180 million shares with an amount of NT\$10 per share, to be issued in installments. Unissued shares will be issued by the Board according to the actual needs, among which NT\$38 million shall be divided into 3.8 million shares with a face value of NT\$1 per share, which shall be reserved for the exercise of stock rights warrants.
- Article 6: When issuing new shares, the company shall authorize the Board to decide whether to print stock in accordance with Article 162, Article 162-1, and Article 162-2 of the Company Act. Shares to be issued may be exempted from stock printing, and shall be registered with the institution for centralized depository institution of securities.
- Article 7: The name change and transfer of shares shall be closed within 60 days before the shareholder meeting, within 30 days before the temporary meeting of shareholders, or within 5 days before the company decides to distribute dividends, bonuses or other benefits.

Chapter 3 Shareholder Meeting

- Article 8: The regular meeting is convened at least once a year, and is convened by the Board within six months after the end of each fiscal year. The temporary meeting shall be convened according to law when necessary.
- Article 9: The regular shareholder meeting shall be called 30 days before the meeting, and the temporary meeting shall be called 15 days before the meeting. The shareholders shall be notified of the time, place and proposals of the meeting.
- Article 10: If a shareholder is unable to attend the shareholder meeting due to certain circumstances, he/she shall present a power of attorney issued by the company, indicating the scope of authorization to entrust an agent to attend the meeting. However, if one person is entrusted by two or more shareholders at the same time, the voting rights of his proxy shall not exceed 3% of the voting rights of the total number of shares issued, and if so, the excess voting rights shall not be counted. Unless otherwise provided for in the Company Act, it shall be handled in accordance with the "Rules on the Use of power of Attorney in the Attendance of Shareholder Meetings by publicly issued stock companies" enacted by the competent authority.
- Article 11: Each shareholder of the company shall have one vote per share, except in the case of non-voting shares stipulated in Article 179 of the Company Act.
- Article 12: Unless otherwise provided for in the Company Act, resolutions of shareholder meetings shall be made with the consent of more than half of the total number of shares issued and

shall be made with the consent of more than half of the votes of the shareholders present.

Article 12-1: The shareholder meeting of the company may be held by video conference or by announcement of the central competent authority.

Article 12-2: Matters decided by the shareholder meeting shall be made into a record, and signed or sealed by the chairman of the shareholder meeting.

Chapter 4 Directors and Supervisors

Article 13: The company shall have seven to eleven directors, including at least three independent directors, who shall serve a three-year term and be eligible for re-election. The election of all directors adopts a candidate nomination system, and shareholders select the candidates from the list. Independent directors and non-independent directors shall be elected together and the number of elected directors shall be calculated separately.

Article 13-1: The audit committee shall be established in accordance with Article 14-4 of the Securities Exchange Law since the 11th reelection of the directors. The audit committee shall replace the authority of the supervisor on the date of its establishment. The provisions concerning the supervisor shall cease to apply during the term of the audit committee, and audit committee and its members shall be responsible for implementing the duties and powers of the supervisor stipulated in the relevant laws and this Chapter. The Audit Committee shall consist of all independent directors, not less than three of whom shall be the convenor and at least one of whom shall have accounting or financial expertise. This Charter, the Securities and Exchange Law, the Company Act and other laws shall apply to the Audit Committee. The term of office, duties and powers of the audit committee, rules of procedure and resources provided by the company when exercising its duties and powers are separately stipulated in the organizational regulations of the audit committee.

Article 14: The Board of Directors is organized by the directors. One chairman is elected when more than two-thirds of the directors are present and more than half of the directors present agree to elect a chairman. The chairman is the president of the shareholder meetings and the board of directors internally and is the representative of the company externally.

The convening of the Board shall be notified to all directors in written, email or fax seven days in advance. In case of emergency, the company may convene the Board at any time, and may also do so in written, e-mail or fax.

Article 15: If the chairman asks for leave or is unable to perform his duties for some reason, his agency shall be handled in accordance with Article 208 of the Company Act. If a director is unable to attend for any reason, in accordance with Article 205 of the Company Act, he may entrust one other director to attend on his behalf.

Article 16: The compensation of all directors shall be amended by the shareholder meeting. And liability insurance may be purchased for the director during his term of office.

Article 17: The duties and responsibilities of the board of directors are as follows:

1. Review and approval of the company's business policy and mid-term and long-term development plan.
2. Review of the annual budget and final accounts.
3. Audit of surplus distribution or deficit offset.
4. Approval of endorsements, acceptances, warranties and undertakings in the name of the company.
5. Apply to financial institutions for approval of financing, guarantees, acceptances and other external advances and borrowings.
6. Acquisition, transfer, grant of expertise and patent rights, and approval and amendment of contracts for technical cooperation.
7. Reinvestment in related businesses.
8. Appointment and removal of managers.
9. Holding of shareholder and Board of Directors meetings and confirmation of business reports.
10. Other business to be handled.

Chapter 5 Manager

Article 18: The company may appoint a general manager, deputy general managers or other managers by resolution of the Board to meet the operation or management needs of the company, and each of these managers may have one or more persons.

Chapter 6 Accountant

Article 19: At the end of each fiscal year, the company shall submit the following reports prepared by the Board to the shareholder meeting for approval by the board of directors:

1. Business Report
2. Financial Statements
3. Profits Distribution or Deficit Appropriation

Article 20: If the company has profit in the year (the profit refers to the profit before pre-tax deducting the compensation of employees and directors), it shall set aside 6% for the compensation of employees and no more than 2.3% for the compensation of directors and supervisors. However, if the company has accumulated deficit (including adjustment of undistributed profits), it shall reserve the compensatory amount in advance.

The above-mentioned employee compensation should be paid in stock or cash and the payee should include the employees of the subsidiary company who meet the conditions resolved by the Board. The above-mentioned compensation of directors and supervisors shall only be paid in cash. The first two items shall be acted upon by resolution of the Board and reported to the shareholder meeting.

Article 21-1: If the company's annual final accounts have net profit after tax for the current period, it should first offset the accumulated deficit (including adjusted amount of undistributed profits), and set aside 10% of the legal profit reserve according to law; however, the accumulated legal profit reserve that reached the company's total paid-in capital is not subject to this limitation. The special profit reserve shall be appropriated or reversed according to the law or the regulations of the competent authority. If there are remaining profits, together with the beginning undistributed profits (including adjustments to the amount of undistributed profit), shall be drafted by the Board to formulate a profits distribution proposal, and proposed to the shareholder meeting for a resolution on the distribution of shareholder dividends.

Based on profit sharing of the dividend policy, the company distributes no less than 50% of the profits available for distribution in the current year to shareholders. Among the dividends distributed, no more than 50% shall be paid as stock dividends, and the rest shall be paid in cash dividends.

Article 21-2: According to Article 240, Paragraph 5 of the Company Act, the company authorizes the Board of Directors to distribute all or part of dividends, bonuses and the legal profits and capital reserves stipulated in Paragraph 1, Article 241 of the Company Act with at least two thirds of the directors present and a resolution of more than half of the directors present. The dividends should be paid in cash and reported to the shareholder meetings.

Chapter 7 Supplementary provisions

Article 22: The Corporate Charter shall be stipulated separately.

Article 23: Matters not stipulated in Articles of this Charter shall be handled in accordance with the provisions of the Company Act.

Article 24: This Charter was established on 01/23/1990

The first amendment was on 08/25/1990

The second amendment was on 12/07/1990

The third amendment was on 06/22/1991

The fourth amendment was on 06/27/1992

The fifth amendment was on 05/02/1993

The sixth amendment was on 06/22/1995

The seventh amendment was on 01/25/1996

The eighth amendment was on 05/23/1996

The ninth amendment was on 06/28/1996

The tenth amendment was on 04/30/1998

The eleventh amendment was on 04/01/1998

The twelfth amendment was on 06/04/1999

The thirteenth amendment was on 04/25/2000

The fourteenth amendment was on 04/30/2001

The fifteenth amendment was on 06/28/2001

The sixteenth amendment was on 05/29/2003

The seventeenth amendment was on 06/18/2004

The eighteenth amendment was on 06/14/2005
The nineteenth amendment was on 06/09/2006
The twentieth amendment was on 05/24/2007
The twenty-first amendment was on 05/28/2010
The twenty-second amendment was on 05/25/2012
The twenty-third amendment was on 05/29/2015
The twenty-fourth amendment was on 05/27/2016
The twenty-fifth amendment was on 05/24/2019
The twenty-sixth amendment was on 05/20/2022

Appendix II: Rules of Procedure for Shareholder Meetings

Article 1: The shareholder meeting of the company shall be handled in accordance with the rules unless stipulated by laws and regulations separately.

Article 2: To record the attendance of shareholders, the shareholder meetings shall set up a signature book or the shareholders shall submit the attendance card for sign in, and the number of shares attended shall be calculated according to the submitted attendance card.

Article 3: Attendance and voting at the shareholder meetings shall be calculated on the basis of shares. Shareholders shall present a power of attorney issued by the company, indicating the scope of authorization to entrust an agent to attend the meeting. A shareholder shall issue a power of attorney, limited to one person, and deliver it to the company five days before the shareholder meeting. If there are duplicate powers of attorney, the one delivered first prevails. However, this does not apply to those entrusted before the declaration is revoked. After the power of attorney is delivered to the company, if the shareholder wishes to attend the shareholder meeting in person or exercise voting rights in writing or electronically, he or she shall notify the company in written cancellation of the agency two days before the shareholder meeting; The voting rights exercised by the person present shall prevail.

Article 4: The shareholder meetings shall be held at location of the company or a place that is convenient and suitable for shareholders. The starting time of meetings shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5: If the shareholder meeting is convened by the Board, the chairman shall be the convenor. If the chairman is on leave or unable to perform his duties for some reason, he shall designate a director to act as his proxy.

If the shareholder meeting is convened by a person with the right to convene other than the Board, the person with the right to convene shall act as the chairman.

Article 6: Lawyers, accountants or related personnel appointed by the company may attend the shareholder meeting.

Personnel who manages the shareholder meeting shall wear identification badges or armbands.

Article 7: The whole process of the shareholder meeting shall be recorded or videotaped and kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the record should be kept until the end of the lawsuit. The shareholder meetings can be held by video conference or by announcement of the central competent authority.

Article 8: The chairman shall announce the opening of the meeting immediately at the scheduled time. However, if shareholders representing more than half of the total issued shares are not present, the chairman may announce the postponement of the meeting. The number of postponements shall be limited to two times, and the total delay shall not exceed one hour. If the number of shares of shareholders present is still insufficient after two postponements, and there are shareholders representing more than one-third of the total issued shares present, the resolution of the meeting shall be seen as false in accordance with Article 175, Paragraph 1 of the Company Act.

If the number of shares of shareholders present amounts to more than half of the total number of shares issued, the Chairman may re-propose a new vote for the false resolution in accordance with Section 174 of the Company Act.

Article 9: If the shareholder meeting is convened by the Board, its agenda shall be determined by the Board, and the meeting shall proceed in accordance with the scheduled agenda, which shall not be changed without shareholder meeting's resolution.

If the shareholder meeting is convened by anyone other than the Board who has the right to convene, the above-mentioned provisions shall apply.

The chairman shall not declare the meeting adjourned without a resolution before the conclusion of agenda (including questions and motions) of the first two agenda.

After the meeting has adjourned, a shareholder shall not appoint the Chairman to continue the meeting at the same address or at any other place; However, the Chairman, in violation of the rules of procedure, declares the meeting adjourned, and may elect a Chairman by the consent of a majority of the voting rights of the shareholders present to continue the meeting.

Article 10: Before shareholders present make their speeches, they should first fill in the statement indicating the key points of the speech, the shareholder's account number (or attendance certificate number) and the name of the account. The chairman will decide the order of the speaker.

The present shareholder shall be deemed not to have spoken if he only presents a statement without speaking. If the contents of the speech are inconsistent with those recorded in the statement, the contents of the speech shall prevail.

When a present shareholder is making his speech, other shareholders shall not interfere with the speech unless with the consent of the chairman and the shareholder who speaks. The chairman shall stop the

person who violates this rule.

Article 11: Without the consent of the chairman, each shareholder shall make no more than two speeches, each of which shall not exceed five minutes.

If a shareholder makes a statement contrary to the provisions of the preceding paragraph or beyond the scope of the agenda, the Chairman may restrain the shareholder from making a statement.

Article 12: When a legal person is entrusted to attend a shareholder meeting, the legal person may designate only one representative to attend.

When a legal shareholder designates two or more representatives to attend the shareholder meeting, only one person may speak on the same motion.

Article 13: After shareholders present make their speeches, the chairman may reply in person or by designating relevant personnel.

Article 14: When the chairman thinks the discussed proposal is appropriate for voting, he may adjourn the discussion and put it to the vote. Shareholders shall have one vote per share; except those who are subject to restrictions or who are not entitled to vote as listed in Paragraph 2 of Article 179 of the Company Act.

When holding shareholder meetings, the company may exercise its voting right in writing or by electronic means, and the method of exercise shall be specified in the notice of the meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholder meeting in person. However, any questions and motions or amendment to the original motion at the meeting shall be regarded as a abstaining from voting.

For those who exercise the voting right in writing or electronically as above mentioned, its intention shall be delivered to the company two days before the shareholder meeting. If the expression of intention is repeated, the one who first delivered shall prevail, except for those who have expressed their intention before the declaration is revoked.

After a shareholder has exercised his voting right in writing or electronically, if he wishes to attend the meeting in person, he shall revoke the aforesaid expression of intention to exercise the voting right two days before the shareholder meeting; If the cancellation is delayed, the voting right exercised in writing or electronically shall prevail. If the voting right is exercised in writing or electronically and an agent is authorized by proxy to attend the shareholder meeting, the voting right exercised by the entrusted agent shall prevail.

Article 15: The scrutineers and counters for voting on proposals shall be designated by the chairman, while the scrutineers shall be the shareholders. The voting results shall be reported and recorded on the spot.

Article 16: The chairman may call a break at an proper time during the meeting.

Article 17: Unless otherwise stipulated in the Company Act and Corporate Charter, a motion shall be approved with the consent of more than half of the votes of shareholders present. When voting, the chairman or his designee shall announce the number of votes of shareholders present, then shareholders can vote. On the day after the shareholder meeting, the results of shareholders' consent, opposition and abstention shall be recorded in the MOPS TWSE. The resolution of shareholder meetings shall be made into a meeting minute which shall be signed or sealed by the chairman and distributed to all shareholders within 20 days after the meeting. Above-mentioned meeting minute may be prepared and distributed electronically, and the company may also distribute the meeting minute by entering the announcement mode on MOPS TWSE. The meeting minutes shall be recorded in accordance with the year, month, day and place of the meeting, the name of the chairman, the method of decision, the key points of the meetings and their results, and shall be kept in perpetuity during the existence of the company.

Article 18: 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 approved, the other proposals shall be deemed to be rejected, and there is no need to vote again.

Article 19: The Chairman may direct pickets or security guards to help maintain order in the meeting. Picket officers or security guards should wear "picket" armbands when they are assisting in maintaining order.

Article 20: These rules or the amended rules shall come into force after being approved by the shareholder meetings.

Appendix III: Rules for Director Elections of TOP UNION ELECTRONICS CORP.

Adopted by shareholder meeting on May 28, 2020

- Article 1: Company's election of directors shall be conducted in accordance with the provisions of these rules.
- Article 2: Company's directors shall be elected by the shareholder meeting and shall be a person with capacity. The quota and term of office shall be subject to the articles of the Corporate Charter.
- Article 3: Company's election of directors shall be conducted on a nomination system and shall be held by the shareholders in accordance with the number of candidates stipulated in the Corporate Charter and from the candidate list. According to the electronic communication platform and the counting of the votes, the one with more votes weight will be elected in turn.
The independent directors and non-independent directors shall be elected together in accordance with the relevant provisions of these rules. The independent directors and non-independent directors shall be counted as independent directors and non-independent directors respectively, and the one with more votes shall be elected.
- Article 4: If two or more people have the same weight and the quota is exceeded, those who have the same weight will draw lots. The chairman will draw lots for unattended people.
- Article 5: Before the election starts, the chairman shall designate a number of scrutineers and counters to perform related duties.
- Article 6: When the election starts, the chairman shall designate a number of scrutineers for the shareholders present, and the remaining counters shall be designated by the chairman to perform related duties.
- Article 7: If the elected person is a shareholder, the voter must fill in the name of the elected person and the shareholder account number in the "Elected Person" column of the ballot; if he is not a shareholder, he should fill in the name of the elected person and the serial number on ID card. However, only when the elected person is government or legal shareholder, he should filled in the name of the government or legal person, and its representative in the Elected Person column of the ballot; if there are several representatives, the name of the representative should be added separately.
- Article 8: Ballots are invalid if one of the following conditions occurs:
- (1) Ballots that do not follow these rules.
 - (2) The blank ballots.
 - (3) The illegible or altered ballots.
 - (4) If the elected person is a shareholder, and his account name and account number shareholder do not match the list of shareholders; if the elected person is not a shareholder, and his name and ID card number do not match.
 - (5) Those who fill in other words in addition to the account name (name), shareholder account number (ID card number), and the number of votes weight of the candidate.
 - (6) Those who did not fill in the account name (name) and shareholder account number (ID card number) of the candidate.
 - (7) The number of elected person listed on the same ballot exceeds the stipulated quota.
- Article 9: Elected directors shall be notified separately by the Board of the company.
- Article 10: Matters not stipulated in these rules shall be handled in accordance with the Company Act, the Corporate Charter and relevant laws and regulations.
- Article 11: These rules or the amended rules shall come into force after being approved by the shareholder meetings.

Appendix IV: The Number of Shares Held by All Directors of the Company and the Minimum Number of Shares Held

1. The company has elected more than two independent directors, thus the shareholding ratio of all directors except independent directors is reduced to 80% according to the above-mentioned ratio. The current legal shareholding ratio of the 11th director and the number of shareholding are as follows:

The number of ordinary shares issued by the company 123,422,676 shares

The legal number of shareholding of all directors 8,000,000 shares

2. As of March 20th, 2023, the book closure date of shareholder meeting, the number of shareholding of all directors is as follow:

Position	Name	Number of Shareholding	Shareholding Ratio
Chairman	Vincent Tsuei	5,237,506	4.24%
Director	Cheng Zhong Investment Co., Ltd.	4,447,205	3.60%
Director	Omnico International LTD.	5,792,474	4.69%
Director	Song, Ying-Quan	627,708	0.51%
Director	Peng, Ming-Xian	1,558,696	1.26%
Director	Lin, Jin-Cai	887,424	0.72%
Director	Chen, Bo-Yong	0	0%
Independent Director	Chuang, Yung-Shun	0	0%
Independent Director	Li, Qing-He	0	0%
Shareholding Number and Shareholding Ratio of All Directors		18,551,013	15.02%

Appendix V: The Impact of Stock dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Item	Year		2022 (Estimated)
Beginning Amount of Paid-in Capital (\$1000)			1,234,226
Distribution of Shares and Dividends of this year	Cash Dividend Per Share (\$1)		1.2 (Note 1)
	Number of Distributed Shares Per Share for New Share Issue Through Capitalization of Earnings (\$1)		1.2 (Note 1)
	Number of Distributed Shares Per Share for New Share Issue Through Capitalization of Paid-in Capital		—
Proposed Earnings Per Share and P/E Ratio	Operating Profit		(Note 2)
	Increase (Decrease) Ratio of Operating Profit Compared with the Same Period Last Year		(Note 2)
	After-tax Net Profit (\$1000)		(Note 2)
	Increase (Decrease) Ratio of Net Profit After Tax Compared with the Same Period Last Year		(Note 2)
	Earnings Per Share (\$1)		(Note 2)
	Increase (Decrease) Ratio of Earnings Per Share Compared with Same Period Last Year		(Note 2)
Proposed Earnings per share and P/E Ratio	Average Annual Return on Investment		(Note 2)
	If Changing All the New Share Issue Through Capitalization of Earnings to Allotment	Proposed Earnings Per Share (\$1)	(Note 2)
		Proposed Average Annual Return on Investment	(Note 2)
	If Not Processing New Share Issue Through Capitalization of Paid-in Capital	Proposed Earnings Per Share (\$1)	(Note 2)
		Proposed Average Annual Return on Investment	(Note 2)
	If Not Processing Paid-in Capital and New Share Issue Through Capitalization of Earnings is Paid in Cash Dividend	Proposed Earnings Per Share (\$1)	(Note 2)
Proposed Average Annual Return on Investment		(Note 2)	

Note 1. The 2023 profits distribution proposal prepared by the Board on February 22, 2023 is waiting for approval of the 2023 shareholder meeting. The actual distributed amount per share shall be the number of shares outstanding on the base date of the ex-rights and ex-dividend decided by the Board, shall be authorized to be adjusted by the Board.

Note 2. As of the date of publication of the Annual Report, the financial forecast information for the year 2023 has not been reviewed by accountants. Therefore, the impact of the proposed stock dividend issuance on the company's operating performance and earnings per share is not applicable.

Appendix VI: Other Notes

Instructions on handling shareholders' proposals and electronically exercising voting rights at this shareholder meeting:

Explanation: 1. The shareholder who holds more than 1% of the total number of shares issued may propose written motion to the company for the shareholder meetings, provided that there is no more than one motion and the proposed motion is limited to 300 words.

2. According to Article 172-1 of the Company Act, the period for the company to accept written proposals from shareholders is from March 10 to March 20, and has been announced on TWSE MOP according to law.

3. The company has not received any shareholder proposals as of the deadline for proposals.

4. Shareholders will exercise their voting rights electronically at this shareholder meeting from April 19 to May 16.