

I-CHIUN PRECISION INDUSTRY CO., LTD.

2023 Annual General Shareholders' Meeting Minutes



Method of Convening: Physical Shareholders' Meeting

Time: 9:00 a.m. on Tuesday, May 30, 2023

Place: 3F, No. 95, Wugong Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.) (auditorium on the 3rd floor of the Service Center, New Taipei Industrial Park)

The total amount of shares represented by attended shareholders and proxies is 119,300,971 shares(5,164,977 shares representing electronic voting) , commanding 54.73% of the totally issued shares of this Company at 217,958,579 shares(excluding 4,000,000 non-voting shares),reaching the statutory requirement for the annual general meeting of shareholders. The chairman thus called the meeting to order according to the law.

Chairman: Chou Wan Shun

Recorder: Cheng Yu Shin

Directors present:

Directors Lee Chung-Yi , Directors Lin Wu-Chun

Independent Directors Kuo Chung-Chien , Independent Directors Lee Jih-Chien ,

Independent Directors Chang Hsien-Sung

Attendee: Certified Public Accountant Juanlu Man- Yu

I. Meeting Commencement Announced:

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. Chairman's Address: (Omitted)

III. Reports Items:

(1) 2022 Business Report (Attachment 1 , See pages 8~12)

(2) 2022 Audit Committee's Review Report (Attachment 2 , See pages 13)

(3) 2022 Annual Employee Wage and Director Remuneration Distribution Report

- Explanation: (I) According to the Company's Articles of Incorporation, the Company shall deduct the distribution of the remuneration of employees and the remuneration of directors from the income before tax of the current fiscal year first, followed by compensating the accumulated loss amount. Where there is any remaining amount after such deduction, no less than 10% of such amount shall be appropriated as the remuneration of employees and no more than 3% of such amount shall be appropriated as the remuneration of Directors.
- (II) The proposal for 2022 employee wage and director remuneration was approved by the Company's Remuneration Committee and Board of Directors. The employee wages will be distributed in cash at NT\$15,147,300 and the remuneration for directors will be distributed in cash at NT\$4,544,189.
- (III) There is no difference between the above amount and the annual estimated amount of recognized expenses.

(4) Report on surplus distribution and Cash Dividend Status Report

- Explanation: (I) As per the provisions of the Company's Articles of Incorporation, the Board of Directors was authorized to resolve and approve that the Company's 2022 surplus distribution to shareholders in cash dividends is NT\$87,183,432. According to the shares held by the shareholders recorded in the shareholder register on the distribution base date, each share will be allocated NT\$0.4. The distributed cash dividend was calculated to NT\$1 (rounded down any number below NT\$1), and any allotment less than NT\$1 would be stated in other income of the company.
- (II) The proposal was approved by the resolution of the Board of Directors and the Chairman was authorized to determine the ex-dividend base date, distribution date and other related matters. If there is any change in the Company's share capital, which affects the number of outstanding stocks and thereby resulting in a change in the payout ratio, the Chairman shall be authorized to handle relevant matters in accordance with the Company Act or relevant laws and regulations.

(5) Amendment to the "Rules and Procedures of Board Meetings" (Attachment 4 , See pages 37~44)

(6) Report on the Company's repurchase of treasury stocks

- Explanation: (I) The company was approved by the board of directors on November 9, 2022. According to relevant regulations, from November 10, 2022 to January 9, 2023, it is expected to buy back 4,000,000 shares of the company and transfer them to employees

of the company. Accounted for 1.80% of the company's total issued shares at that time.

(II) The company has repurchased 4,000,000 shares of the company from December 14, 2022 to January 9, 2023, with a total repurchase amount of NT\$ 90,027,683. No letter approved, as of April 1, 2023, it has not been transferred.

(7) Report on the implementation of the company's cash capital increase and sound operation plan from 2021

Explanation: (I) The company's cash capital increase in 2021 due to losses for two consecutive years has put forward a sound business plan in accordance with regulations.

(II) According to the sound business plan, the company's in 2021 estimated consolidated profit and loss statement is as follows:

Unit: NT\$ Thousands

year	2021 (Cnsolided)				
Item	Q1	Q2	Q3	Q4	Total
Operating income	1,310,413	1,317,870	1,367,322	1,399,161	5,394,766
Operating profit	232,023	226,055	239,549	244,051	941,678
Operating expenses	115,587	119,562	122,400	122,713	480,262
Business interest	116,436	106,493	117,149	121,338	461,416
Outside income and expenditure	1,079	(4,016)	(3,512)	(3,116)	(9,565)
Net profit before tax	117,515	102,477	113,637	118,222	451,851
Net profit after tax	89,159	79,420	88,069	91,622	348,270

(III) As of 2021, the implementation status is as follows:

year	2021 (Cnsolided)			
Item	2021 actual number	2021 annual estimates	Increase (decrease) number	Achievement rate
Operating income	5,988,398	5,394,766	593,632	111.00%
Operating profit	1,168,610	941,678	226,932	124.10%
Operating expenses	634,232	480,262	153,970	132.06%
Business interest	534,378	461,416	72,962	115.81%
Outside income and expenditure	(80,992)	(9,565)	(71,427)	(846.75%)
Net profit before tax	453,386	451,851	1,535	100.34%
Nt profit after tax	383,466	348,270	35,196	110.11%

IV. Resolutions

(1) Proposal for Recognition of the 2022 Financial Statements

Explanation: (I) The Company's 2022 standalone financial statements and consolidated financial statements, which have been audited and certified by the C.P.A.s Min-Chuan Feng and Ya-Hui Lin of PwC Taiwan, and the Business Report has been reviewed by the Audit Committee. Please proceed to ratify them.

(II) See page 8 and pages 14-36 of the Shareholders Meeting Minutes for the 2022 Business Report, C.P.A.s' audit report, the balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, for the years ended December 31, 2022.

Resolution:

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

Voting Results:

Shares present at the time of voting: 119,300,971 (Including 5,164,977 from electronic voting).

Voting Results		% of the total represented share present
Votes in favor (electronic votes)	116,508,073 votes (2,372,079)	97.65%
Votes against (electronic votes)	65,223 votes (65,223)	0.05%
Votes invalid	0 votes 0	0.00%
Votes abstained /Not Voted (electronic votes)	2,727,675 votes (2,727,675)	2.28%

(2) Proposal for Recognition of the 2022 Surplus Distribution

Explanation: The Company's 2022 after-tax profit is NT\$103,288,320 based on the financial statements reviewed and certified by CPAs. The proposed surplus distribution table is as follows, please recognize.

I-CHIUN PRECISION INDUSTRY CO., LTD.

Table for Surplus Distribution

2022

Unit: NTD

Undistributed surplus – at the beginning of the year		7,387,580
Add: Net profit after tax	103,288,320	
Add: Adjustment to retained earnings (actuarial pension calculations)	2,800,044	
Less: Changes in ownership interests in subsidiaries	<u>(1,793,656)</u>	
The net profit after tax of the current period is added to the amount included in the undistributed profit of the year		104,294,708
Less: Allocation of 10% for legal reserve		(10,429,471)
Less: Allocation for special reserve- Deduction of shareholders equities		<u>(7,387,580)</u>
Distributable surplus		93,865,237
Less: Dividend (Per Share NTD0.4)		<u>(87,183,432)</u>
Tax on unappropriated retained earnings at the end of the year		<u>6,681,805</u>

Chairman: Zhou Wanshun General Manager: Zhou Wanshun Accounting Supervisor: Yang Borong

Resolution:

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

Voting Results:

Shares present at the time of voting: 119,300,971 (Including 5,164,977 from electronic voting)

Voting Results		% of the total represented share present
Votes in favor (electronic votes)	116,577,282 votes (2,441,288)	97.71%
Votes against (electronic votes)	146,636 votes (146,636)	0.12%
Votes invalid	0 votes 0	0.00%
Votes abstained /Not Voted (electronic votes)	2,577,053 votes (2,577,053)	2.16%

V. Election and Discussions

(1) Comprehensive re-election of directors

- Explanation: (I) The term of office of the current directors of the company will expire on June 30, 2023, and a re-election will be proposed at the shareholders' general meeting of this year.
- (II) According to Article 12 of the company's articles of association, 8 directors (including 4 independent directors) are to be re-elected this time. The term of office of the new directors is from May 30, 2023 to May 29, 2026. The term of office is three years. The term of office of a director shall be automatically dismissed after the new director takes office.
- (III) For the list of director candidates approved by the company's Board of Directors resolution on March 2, 2023, please refer to Appendix V on page 45 of the Shareholders Meeting Minutes
- (IV) Here by submit for Election.

Election Result:

Resolution: The following personnel are elected as directors

Title	Name	Elected Number of Votes
Director	Chou, Wan-Shun	120,517,097
Director	Lee, Chung-Yi	118,962,576
Director	Lin, Wu-Chun	116,938,441
Director	Yeh, Chwei-Jing	115,485,716
Independent Director	Kuo, Chung-Chien	115,026,300
Independent Director	Lee, Jih-Chien	114,403,545
Independent Director	Chang, Hsien-Sung	114,336,527
Independent Director	Horng, Shun-Ching	113,750,833

(2) Removal of restrictions on directors' non-competition

- Explanation: (I) According to Article 209 of the Company Law, directors should explain the important content of their actions to the shareholders' meeting and obtain their permission for actions that fall within the scope of the company's business for themselves or others.
- (II) The company's directors may invest or operate other companies

with the same business scope as the company or similar to the company's "Articles of Association", the amended provisions are as follows, and the company's new directors are required to submit an agreement to lift the company's new directors. Article 209 of the company law prohibits competition.

(III) Please refer to Appendix 6 on page 51 of the Shareholders Meeting Minutes for details of the non-compete content of director candidates approved by the Board of Directors resolution on March 2, 2023.

Resolution:

RESOLVED, that the proposal for releasing the non-compete restriction on Directors be and hereby was approved and acknowledged as proposed.

Voting Results:

Shares present at the time of voting: 119,300,971 (Including 5,164,977 from electronic voting)

Voting Results		% of the total represented share present
Votes in favor (electronic votes)	116,391,537 votes (2,255,543)	97.56%
Votes against (electronic votes)	302,113 votes (302,113)	0.25%
Votes invalid	0 votes 0	0.00%
Votes abstained /Not Voted (electronic votes)	2,607,321 votes (2,607,321)	2.18%

VI. Questions and Motions: None

Shareholders' questions and the company's responses to all proposals at this meeting:

1. Summary of Shareholder's Speech: None
2. Chairman's response to question : None

VII. Adjournment : 9:22 a.m., May 30, 2023

2022 Business Report

In the past year, the world was still affected by the epidemic of Covid-19, and the mainland region implemented blockade and control. The war between Russia and Ukraine led to rising prices of energy and bulk materials, which exacerbated inflation. The global economy was weak and market demand decreased. As a result, the company's main product, LED Orders for lead frames and IC lead frames have declined, but for Taiwan, there are still emerging applications such as 5G, AI, Internet of Things, and automotive electronics that drive the stable growth of the semiconductor industry for a long time, and the overall semiconductor industry is still performing well. Thermal film (semiconductor) products, due to the active development of new application products and customers and the increase in market demand, increased operating income, offsetting part of the decrease in overall operating income. On the whole, despite the poor economic environment in 2011, it still maintained profitability thanks to the efforts of all employees.

Looking forward to 2023, the epidemic situation is gradually slowing down, various places are gradually unblocking, and the global economy is gradually recovering. However, regional political conflicts and inflation continue, and there are variables in the industrial environment. For the overall electronics industry, there was a serious shortage of workers and materials in the past. , making the downstream stock preparation increase, resulting in the pressure of destocking. It is expected that the destocking will be smoothly adjusted in the first half of this year. The company will continue to work hard to fully cooperate with customers, strive to develop new generation products, build automated production equipment, and improve Production efficiency and effectiveness, accumulating operational energy, all employees work together to show positive ambitions, invest high-quality human and financial resources, strive to exceed expected goals, and enhance shareholder rights and interests.

The company adheres to the business philosophy of being honest, respectful, and consistent in words and deeds, in response to changes in the international market and industries to meet customer needs, enhance the flexibility of product supply, and achieve the benefits of international division of labor. Under the business philosophy, the sustainable operation of the company is established.

I. The overview of the Company's business in 2022 is as follows:

(I) Implementation results of the 2022 business plan (consolidated financial statements):

1. Comparative analysis of business results

Unit: NTD thousand

	2022	2021	increase (decrease) by monetary amount	Change in Percentage (%)
Net operating income	5,195,927	5,988,398	(792,471)	(13.23%)
Operating costs	4,617,647	4,819,788	(202,141)	(4.19%)
Gross profit	578,280	1,168,610	(590,330)	(50.52%)
Operating expense	579,770	634,232	(54,462)	(8.59%)
Operating profit	(1,490)	534,378	(553,868)	(100.28%)
Non-operating revenues and expenses	131,802	(80,992)	212,794	(262.73%)
Pre-tax profit	130,312	453,386	(323,074)	(71.26%)
Income tax expense	38,356	69,920	(31,564)	(45.14%)
Current net profit	91,956	383,466	(291,510)	(76.02%)
Non-controlling equity	11,332	(7,699)	19,031	247.19%
Net profit or loss	103,288	375,767	(272,479)	(72.51%)

The company's products include LED lead frames, direct-lit TV backlight modules, heat spreaders (semiconductors) and IC lead frames. The operating income in 2022 was RMB 5,195,927,000, a decrease of RMB 792,471,000 or 13.23% compared with RMB 5,988,398,000 in 2021. Weakness has reduced the market demand for the company's main products, LED lead frame and IC lead frame, and the operating income has decreased by 23.37% and 44.70% respectively, which has the greatest impact. However, another product, the heat spreader (semiconductor), is actively developing new customers and new application products. Moreover, the market demand also increased, so that the operating income increased by 17.35%, offsetting part of the decrease in the overall operating income.

The decline in operating gross profit and operating profit is not only due to the decline in operating income, but the main product lead frame is due to the decline in capacity utilization, the increase in fixed costs caused by corresponding idling, and the increase in inventory sluggish losses, but due to the sharp appreciation of the US dollar in 2022, resulting in a substantial increase in the benefits of foreign currency exchange, resulting in the maintenance of profit in the current period.

(II) Budget execution in 2022: The company did not disclose financial forecasts in 2022

through product development.

(III) Analysis of financial balance and profitability.

Item		Year	
		2022	2021
financial balance	Operating income (thousands)	5,195,927	5,988,398
	Operating gross profit (loss) (thousands)	578,280	1,168,610
	Net profit (loss) after tax (thousands)	91,956	383,466
Profitability Analysis	Return on assets (%)	1.74	5.72
	Return on shareholders' equity (%)	2.17	10.72
	Ratio of net profit before tax to paid-in capital (%)	5.87	20.43
	Profit rate (%)	1.77	6.40
	Earnings (loss) per share (yuan)	0.47	1.79

(IV) Research and Development Status

1. The company will continue to develop new products to respond, so that the LED lead frame, heat spreader (semiconductor) and IC lead frame business will maintain the growth trend and continue to transform, and use new technologies and core competitiveness to promote new product development to achieve sustainability develop.
2. Create competitiveness through continuous improvement, face the future with new knowledge, and promote the creation of competitiveness.
3. The company will continue to develop the following new products
 - (1) Development and mass production of 5G mobile phone (3030) radio frequency brackets.
 - (2) Develop ultra-high power MOSFET bracket (TO-3P).
 - (3) Develop thin-film heat sinks and IGBT heat dissipation substrates produced by automatic multi-point production.
 - (4) Water-cooled cooling module

II. Business operating plan for 2023

(I) Business policy

1. Key points

- (1) Persistence: Cultivation of talents, development of new products, rapid improvement, and a growth rate of more than 20%.
- (2) With the above four pillars, we form our responsibilities for long-term development, and adopt refined management as the way of sustainable development for corporate governance and management.
- (3) With refining, we focus on strategies to create core values in which from a macro perspective, we shall think about how to achieve company goals.

- (4) Select the topics, measure the value created, and conduct business activities.
 - (5) Focus on specific research areas, so that urgency and importance can be determined consistently. Achieve a balance between long-term and short-term goals. Lead decision-making, and reach the achievement of the overall goals.
2. Operation strategy
 - (1) Keep abreast of market trends
 - (2) Become a partner for customers
 - (3) Take innovative applications as the vision
 - (4) Train new core competencies
 - (5) Increase process efficiency to increase added value
 - (6) Provide sincere services, protect customers' interests, strive for reciprocity and sharing, and create a sustainable future together
 3. Business philosophy
 - (1) Honesty: the beginning and the end
 - (2) Integrity: the process
 - (3) Consistency: the results

Follow the way of conscience, achieve what we say to fulfill the concept of honesty.

Honesty is the foundation of trust, and trust is the foundation of all actions.

Honest people who "fully aware of the right way" will be assisted by God to reach a full and complete life.

Expected sales volume

The expected sales volume is based on the current existing orders and the status of customer orders to be contacted in the future, referring to the new product development plan and progress, and at the same time making an estimate based on the future production capacity planning, based on the current international situation and economic conditions, plus past experience , 112 annual sales should have a certain growth.

(II) Key production and marketing policies

1. Production policy

- (1) Target-based management system to improve production capacity.
- (2) Performance accountability system to meet quality requirements.
- (3) Budget-based Cost system to effectively reduce costs.
- (4) Research and develop low-cost, high-value-added, and competitive products.

2. Sales policy

- (1) Develop new products and develop new customers.
- (2) Expand the share of existing customers.
- (3) Develop new products, improve products, reduce costs, and create benefits.
- (4) Train talents and internationalize marketing
 - (A) Implement education and training based on the knowledge and skills required by job duties.
 - (B) Pay attention to customer services, keep abreast of information, and expand the

market.

(C) Train competent talents.

(D) Train talents with organizational leadership, promotion of growth, and planning.

III. Future development strategy

The Covid-19 epidemic has gradually unblocked globally, and the inventories of electronics industry manufacturers have gradually been depleted. Therefore, the overall electronics industry should recover gradually this year. In the coming year, we will strengthen our understanding of product market trends, communicate with customers more deeply, and cut into the core of customer needs, strengthen product design, improve production efficiency and ensure stable quality, and develop towards niche and high value-added products.

Electronic products continue to emphasize high performance and miniaturization. Therefore, when electronic components are moving toward smaller volumes and greater power efficiency, only by solving the heat dissipation problem within a limited volume can the reliability of the product be stabilized and the service life extended. The heat spreader is In order to mainly solve the problem of heat dissipation of electronic components, its applications cover servers, communication base stations, vehicles, game consoles, PCs, etc. Deepen the application, therefore, continue to improve the production technology, continue to optimize the automation equipment, and cooperate strategically with international manufacturers to develop new products to strengthen production advantages and quality.

IV. Impact of external competition environment, legal environment, and overall business environment

As the threat of the epidemic is gradually lifted and global business exchanges are increasingly recovering, the world is still affected by the political instability and inflation in many regions brought about by the Russia-Ukraine War, which threatens global economic growth. However, the demand for 5G applications, the Internet of Things, and artificial intelligence It will continue to grow. In the face of changes in various laws and regulations and the requirements of environmental protection regulations for net zero emission and carbon reduction, governments of various countries have set schedules and require the industry to complete according to the process. Competitors in the same industry at home and abroad are facing challenges. The company responds to various challenges through continuous new product development and process capability, efficiency improvement and cost reduction.

Chairman: Wan-Shun Chou

President: Wan-Shun Chou

Accounting Officer: Pai-Jung, Yang

I-CHIUN PRECISION INDUSTRY CO., LTD.

Audit Committee's Review Report

The Board prepared the Company's 2022 Business Report, financial statements (including consolidated financial statements), and surplus distribution proposal, of which the financial statements (including consolidated financial statements) have been audited by C.P.A.s Min-Chuan Feng and Ya-Hui Lin of PwC Taiwan with an audit report issued. We have reviewed the above-mentioned Business Report, the financial statements (including consolidated financial statements), and the surplus distribution proposal and found them legitimate. Therefore, we are presenting them for your review in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

2023 Annual Meeting of Shareholders

I-CHIUN PRECISION INDUSTRY CO., LTD.

Audit Committee Convener: KUO, CHUNG-CHIEN

March 2, 2023

Independent Auditor's Audit Report

(2023) Cai-Shen-Bao No. 22004386

To the Board of Directors and Shareholders of I-CHIUN PRECISION INDUSTRY CO., LTD.

Audit opinion

We have reviewed the accompanying consolidated balance sheets of I-CHIUN PRECISION INDUSTRY CO., LTD. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, based on our audit results and other accountants' audit reports (see the "other matters" paragraph), present fairly, in all material respects, the consolidated financial position of the Group as at 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) as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Basis for opinion

The CPA engaged to audit and attest financial statements shall do so in accordance with the Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audit results and other accountants' audit reports, 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 the Group's audit of the consolidated financial statements of 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, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for 2022 is stated as follows:

Assessment of allowance for inventory valuation losses

Description

For accounting policies for inventories, please refer to Note 4(13) of the consolidated financial statements; for the uncertainty of accounting estimates and assumptions in evaluation of inventories, please refer to Note 5(2) of the consolidated financial statements; for the description of allowance for inventory valuation losses, please refer to Note 6(5) of the

consolidated financial statements. The Group's inventories and allowance for inventory valuation losses on December 31, 2022 were NT\$1,504,079,000 and NT\$176,634,000, respectively.

The Group's evaluation of inventories is based on the cost or net realizable value, whichever is lower. Considering the rapid changes in the technological environment, its measurement is based on the judgment and estimation that there is a higher risk in inventories due to obsolete products or no market value. The Group's inventories are measured at cost or net realizable value, whichever is lower; for inventories exceeding a certain period of age and individually identified obsolete and outdated inventories, the net realizable value is calculated based on historical information on the selling rate of inventories and the extent of the discount.

Because the Group's inventories and its allowance for inventory valuation losses has a significant impact on the consolidated financial statements, and the net realizable value adopted in the evaluation of outdated and obsolete inventories often involves subjective judgments of whether there is still market sales value in the future, there is a high degree of estimation uncertainty. Therefore, we have listed the assessment of allowance for inventory valuation losses as a key audit matter.

Corresponding audit procedures

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

1. Assess the reasonableness of the policies and procedures used in the allowance for inventory valuation losses based on our understanding of the Group and the nature of the industry, including the inventory classification used to determine the net realizable value and the judgment of obsolete inventory items.
2. Understand the Group's inventory management process, review its annual inventory plan, and participate in the annual inventory taking to evaluate the effectiveness of distinguishing and controlling obsolete and outdated inventories by the management.
3. The methods for verifying the accounting estimates are appropriate and adopted consistently, including the Group's procedures, methods, and assumptions regarding the identification of net realizable value, obsolete inventories, and outdated or damaged items, which are consistent with the previous period.
4. Randomly check the source information on selling prices used for the serial number of individual inventory items, compare the allowance for valuation losses in the previous period, and consider events taking place after the balance sheet, to assess the reasonableness of the allowance for valuation loss provided by the Group.

Other matters – reference to the audit or review of other accountants

For subsidiaries that are included in the group consolidated financial statements, the audit of financial statements involves other auditors in the audit of financial statements that are not group financial statements. Therefore, for the auditor's opinion on the above-mentioned consolidated financial statements, the subsidiaries' financial statement amounts are based on the reports of other auditors. As of December 31, 2022 and 2021, the subsidiaries' total assets of NT\$114,111,000 and NT\$158,441,000 accounted for 1% and 2% of the total consolidated assets, respectively, while the subsidiaries' 2022 and 2021 operating revenue of NT\$15,853,000 and NT\$0 accounted for 0% of consolidated net operating revenue for both years.

Other matter – parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of I-CHIUN PRECISION INDUSTRY CO., LTD. for 2022 and 2021.

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 regulations of IFRS and IAS as well as IFRIC and SIC interpretations as endorsed and issued into effect by the FSC to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

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

Those charged with governance (including audit committee) are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit of consolidated financial statements conducted in accordance with TWSA will always detect a material misstatement when it exists. Misstatements can arise from error or fraud 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 the consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Group. 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 (including relevant protective measures).

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

PRICEWATERHOUSECOOPERS TAIWAN

FENG,MIN-CHUAN

Certified Public Accountant

LIN,YA-HUI

Securities and Futures Bureau, Former Financial Supervisory
Commission, Executive Yuan

Approval Document No.: Jin-Guan-Zheng-Six No. 0960038033
Financial Supervisory Commission

Approval Document No.: Jin-Guan-Zheng-Shen No. 1070323061

March 8, 2023

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES

Consolidated Balance Sheet

For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	Asset	Notes	2022/12/31		2021/12/31	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,312,308	17	\$ 1,148,776	13
1110	Financial assets at fair value through profit and loss - current	6(2)	124,680	2	5,520	-
1136	Financial assets at amortized cost - current	6(3) and 8	82,175	1	14,775	-
1150	Notes receivable, net	6(4), 8 and 12(2)	141,949	2	175,470	2
1170	Accounts receivable, net	6(4) and 12(2)	1,758,132	22	2,283,629	27
1200	Other receivables		38,863	-	51,402	1
1220	Current income tax assets		94	-	256	-
130X	Inventories	6(5)	1,327,445	17	1,549,180	18
1479	Other current assets - others		59,361	1	130,200	2
11XX	Total current assets		<u>4,845,007</u>	<u>62</u>	<u>5,359,208</u>	<u>63</u>
Non-current assets						
1510	Financial assets at fair value through profit and loss - non-current	6(2)	-	-	-	-
1535	Financial assets at amortized cost - non-current	6(3) and 8	28,000	-	24,000	-
1600	Property, plant and equipment	6(6) and 8	1,955,703	25	1,982,479	23
1755	Right-of-use assets	6(7) and 8	449,142	6	508,759	6
1760	Investment property, net	6(9) and 8	212,422	3	227,347	3
1780	Intangible assets		19,948	-	14,507	-
1840	Deferred income tax assets	6(24)	116,379	2	163,057	2
1900	Other non-current assets		166,826	2	208,460	3
15XX	Total non-current assets		<u>2,948,420</u>	<u>38</u>	<u>3,128,609</u>	<u>37</u>
1XXX	Total assets		<u>\$ 7,793,427</u>	<u>100</u>	<u>\$ 8,487,817</u>	<u>100</u>

(Continued)

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES

Consolidated Balance Sheet

For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	Liabilities and Equity	Notes	2022/12/31		2021/12/31	
			Amount	%	Amount	%
	Liability					
	Current liabilities					
2100	Short-term borrowings	6(10) and 8	\$ 697,991	9	\$ 811,290	10
2120	Financial liabilities at fair value through profit and loss - current	6(11)	-	-	-	-
2130	Contract liabilities - current	6(19)	14,943	-	31,324	-
2150	Notes payable		4,786	-	11,109	-
2170	Accounts payable	7	475,981	6	745,156	9
2200	Other payables	6(12) (16)	323,635	4	508,383	6
2230	Current income tax liabilities		11,426	-	7,584	-
2280	Lease liabilities - current		52,754	1	52,128	1
2320	Long-term borrowings (including due within one year or one operating cycle)	6(13) and 8	261,667	4	25,000	-
2399	Other current liabilities - others		5,790	-	6,720	-
21XX	Total current liabilities		<u>1,848,973</u>	<u>24</u>	<u>2,198,694</u>	<u>26</u>
	Non-current liabilities					
2540	Long-term borrowings	6(13) and 8	977,083	13	1,220,000	14
2570	Deferred income tax liabilities	6(24)	299,658	4	308,242	4
2580	Lease liabilities - non-current		340,042	4	392,101	5
2600	Other non-current liabilities		106,875	1	119,476	1
25XX	Total non-current liabilities		<u>1,723,658</u>	<u>22</u>	<u>2,039,819</u>	<u>24</u>
2XXX	Total liabilities		<u>3,572,631</u>	<u>46</u>	<u>4,238,513</u>	<u>50</u>
	Equity					
	Equity attributable to owners of the parent					
	Share capital	6(16)				
3110	Share capital - common stock		2,219,586	29	2,219,586	26
	Capital surplus	6(17)				
3200	Capital surplus		1,814,424	23	1,847,718	22
	Retained earnings	6(18)				
3310	Legal reserve		22,267	-	-	-
3320	Special reserve		115,330	2	-	-
3350	Retained earnings		111,683	1	222,670	3
	Other equity					
3400	Other equity		(179,509)	(2)	(217,748)	(3)
3500	Treasury stock	6(16)	(60,702)	(1)	-	-
31XX	Total equity attributable to owners of the parent		<u>4,043,079</u>	<u>52</u>	<u>4,072,226</u>	<u>48</u>
36XX	Non-controlling equity	6(26)	<u>177,717</u>	<u>2</u>	<u>177,078</u>	<u>2</u>
3XXX	Total equity		<u>4,220,796</u>	<u>54</u>	<u>4,249,304</u>	<u>50</u>
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	Total liabilities and equity		<u>\$ 7,793,427</u>	<u>100</u>	<u>\$ 8,487,817</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand
(except for earnings per share which is in NTD)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6(19)	\$ 5,195,927	100	\$ 5,988,398	100
5000 Operating costs	6(5) (9) (23) and 7	(4,617,647)	(89)	(4,819,788)	(80)
5900 Gross profit		<u>578,280</u>	<u>11</u>	<u>1,168,610</u>	<u>20</u>
Operating expense	6(23)				
6100 Selling expenses		(174,810)	(3)	(176,433)	(3)
6200 Administrative expenses		(247,608)	(5)	(325,384)	(5)
6300 Research and development expenses		(98,450)	(2)	(97,639)	(2)
6450 Expected credit impairment loss	12(2)	(58,902)	(1)	(34,776)	(1)
6000 Total operating expenses		(579,770)	(11)	(634,232)	(11)
6900 Operating (loss) profit		(1,490)	-	534,378	9
Non-operating revenues and expenses					
7100 Interest revenue		13,191	-	8,117	-
7010 Other revenue	6(20)	40,336	1	18,381	1
7020 Other gains and losses	6(21)	140,608	3	(66,174)	(1)
7050 Finance costs	6(22)	(62,333)	(1)	(41,316)	(1)
7000 Total non-operating income and expenses		<u>131,802</u>	<u>3</u>	(80,992)	(1)
7900 Net profit before tax		130,312	3	453,386	8
7950 Income tax expense	6(24)	(38,356)	(1)	(69,920)	(1)
8200 Current net profit		<u>\$ 91,956</u>	<u>2</u>	<u>\$ 383,466</u>	<u>7</u>

(Continued)

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand
(except for earnings per share which is in NTD)

Items	Notes	2022		2021		
		Amount	%	Amount	%	
Items that will not be reclassified to profit or loss						
8311	Remeasurements of defined benefit plans	6(14)	\$ 3,500	-	\$ 1,693	-
8349	Income tax related to items that will not be reclassified to profit or loss	6(24)	(700)	-	(339)	-
8310	Total of items that will not be reclassified to profit or loss		<u>2,800</u>	-	<u>1,354</u>	-
Items that may be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		47,799	1	(50,914)	(1)
8399	Income tax relating to the items that may be reclassified to profit or loss	6(24)	(9,560)	-	10,183	-
8360	Sum of items that may be reclassified to profit or loss		<u>38,239</u>	1	<u>(40,731)</u>	(1)
8300	Other comprehensive income (net), net		<u>\$ 41,039</u>	1	<u>(\$ 39,377)</u>	(1)
8500	Total comprehensive income for current period		<u>\$ 132,995</u>	3	<u>\$ 344,089</u>	6
Net income (loss) attributable to:						
8610	Owners of the parent		\$ 103,288	2	\$ 375,767	7
8620	Non-controlling equity		(11,332)	-	7,699	-
			<u>\$ 91,956</u>	2	<u>\$ 383,466</u>	7
Total comprehensive income attributable to:						
8710	Owners of the parent		\$ 144,327	3	\$ 336,390	6
8720	Non-controlling equity		(11,332)	-	7,699	-
			<u>\$ 132,995</u>	3	<u>\$ 344,089</u>	6
Earnings per share (EPS) 6(25)						
9750	Basic earnings per share		<u>\$ 0.47</u>		<u>\$ 1.79</u>	
9850	Diluted earnings per share		<u>\$ 0.46</u>		<u>\$ 1.79</u>	

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

Notes	Equity attributable to owners of the parent								Non-controlling equity	Total equity
	Share capital - common stock	Capital surplus	Retained earnings			Other equity		Total		
			Legal reserve	Special reserve	Undistributed earnings (deficit to be compensated)	Financial statements translation differences of foreign operations	Treasury stock			
2021										
Balance at January 1, 2021	\$ 2,019,586	\$ 1,156,598	\$ -	\$ -	(\$ 154,040)	(\$ 177,017)	\$ -	\$ 2,845,127	\$ 57,455	\$ 2,902,582
Current net profit	-	-	-	-	375,767	-	-	375,767	7,699	383,466
Other comprehensive income for current period	-	-	-	-	1,354	(40,731)	-	(39,377)	-	(39,377)
Total comprehensive income for current period	-	-	-	-	377,121	(40,731)	-	336,390	7,699	344,089
Capital increase in cash	6(16) (17) 200,000	660,000	-	-	-	-	-	860,000	-	860,000
Cost of share-based payment	6(15) (17) -	31,120	-	-	-	-	-	31,120	-	31,120
Controlling interest in the subsidiary	6(26) (27) -	-	-	-	-	-	-	-	71,317	71,317
Changes in ownership interests in subsidiaries	6(26) -	-	-	-	(411)	-	-	(411)	8,841	8,430
Capital increase in cash by subsidiary and advance receipts for ordinary share	6(26) -	-	-	-	-	-	-	-	31,766	31,766
Balance at December 31, 2021	\$ 2,219,586	\$ 1,847,718	\$ -	\$ -	\$ 222,670	(\$ 217,748)	\$ -	\$ 4,072,226	\$ 177,078	\$ 4,249,304
2022										
Balance at January 1, 2022	\$ 2,219,586	\$ 1,847,718	\$ -	\$ -	\$ 222,670	(\$ 217,748)	\$ -	\$ 4,072,226	\$ 177,078	\$ 4,249,304
Current net profit	-	-	-	-	103,288	-	-	103,288	(11,332)	91,956
Other comprehensive income for current period	-	-	-	-	2,800	38,239	-	41,039	-	41,039
Total comprehensive income for current period	-	-	-	-	106,088	38,239	-	144,327	(11,332)	132,995
Earnings appropriation and distribution for 2021:	6(18)									
Allocation for Legal reserve	-	-	22,267	-	(22,267)	-	-	-	-	-
Allocation for Special reserve	-	-	-	115,330	(115,330)	-	-	-	-	-
Cash dividend paid out	-	-	-	-	(77,686)	-	-	(77,686)	-	(77,686)
Cash dividend paid out from capital surplus	6(17) (18) -	(33,294)	-	-	-	-	-	(33,294)	-	(33,294)
Changes in ownership interests in subsidiaries	6(26) -	-	-	-	(1,792)	-	-	(1,792)	(5,259)	(7,051)
Capital increase in cash by subsidiary	6(26) -	-	-	-	-	-	-	-	20,986	20,986
Cash dividend paid out by subsidiary	6(26) -	-	-	-	-	-	-	-	(3,756)	(3,756)
Treasury shares repurchased	6(16) -	-	-	-	-	-	(60,702)	(60,702)	-	(60,702)
Balance at December 31, 2022	\$ 2,219,586	\$ 1,814,424	\$ 22,267	\$ 115,330	\$ 111,683	(\$ 179,509)	(\$ 60,702)	\$ 4,043,079	\$ 177,717	\$ 4,220,796

he accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	<u>Notes</u>	<u>2022/1/1~2022/12/31</u>	<u>2021/1/1~2021/12/31</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Current net profit before tax		\$ 130,312	\$ 453,386
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expenses	6(6) (7) (9) (23)	476,185	475,413
Amortization expenses	6(23)	4,345	4,098
Expected credit impairment loss	12(2)	58,906	34,776
Net losses on financial assets at fair value through profit and loss	6(21)	20,302	330
Interest expenses	6(22)	62,333	41,316
Interest revenue		(13,191)	(8,117)
Dividend revenue	6(20)	(750)	(390)
Cost of share-based payment	6(15)	-	33,960
Losses (gains) on disposal of property, plant and equipment	6(21)	(4,411)	934
Gains arising from lease changes	6(7)	-	(1,257)
Impairment loss	6(21)	-	34,015
Gains from disposal of investments	6(21)	(30,173)	-
Changes in operating assets and liabilities			
Net changes in operating assets			
Notes receivable		33,521	(123,170)
Accounts receivable		465,805	(843,931)
Other receivables		12,539	6,862
Inventories		221,735	(801,832)
Other current assets		70,837	(54,590)
Other non-current assets		(13,637)	(16,039)
Net changes in operating liabilities			
Contract liabilities - current		(16,381)	(3,986)
Notes payable		(6,323)	(10,263)
Accounts payable		(269,175)	189,815
Other payables		(116,404)	206,461
Other current liabilities		(930)	(9,610)
Other non-current liabilities		(2,033)	(6,652)
Cash inflow (outflow) generated from operations		1,083,412	(398,471)
Interest received		13,191	8,117
Dividends received		750	390
Interest paid	6(28)	(61,882)	(41,206)
Income tax paid		(6,804)	-
Net cash inflow (outflow) from operating activities		<u>1,028,667</u>	<u>(431,170)</u>

(Continued)

I-CHIUN PRECISION INDUSTRY CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	Notes	2022/1/1~2022/12/31	2021/1/1~2021/12/31
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortized cost		(\$ 71,400)	\$ 8,412
Acquisition of financial assets at fair value through profit and loss		(267,241)	-
Disposal of financial assets at fair value through profit and loss		157,952	-
Price of purchase of property, plant and equipment	6(28)	(410,559)	(472,308)
Proceeds from disposal of property, plant and equipment		25,156	21,417
Price of purchase of intangible assets		(9,786)	(10,248)
Increase (decrease) in other non-current assets		6,169	(3,056)
Acquisition of subsidiary (excluding cash flows used)	6(28)	-	79
Cash outflow from investing activities		(569,709)	(455,704)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in Short-term borrowings	6(29)	(113,299)	427,141
New long-term borrowings	6(29)	40,000	1,230,000
Repayment of long-term borrowings	6(29)	(46,250)	(1,451,996)
Repayment of lease principal	6(29)	(52,168)	(49,220)
Increase (decrease) in other non-current liabilities		976	(6,782)
Cash dividend paid out	6(18)	(110,980)	-
Capital increase in cash	6(16)	-	860,000
Cash dividend paid out by subsidiary	6(26)	(3,756)	-
Cash capital increase by subsidiary - non-controlling interests	6(26)	20,986	31,766
Stock options executed by subsidiary employees		-	4,120
Repurchased treasury shares	6(28)	(49,661)	-
Net cash inflow (outflow) from financing activities		(314,152)	1,045,029
Effect of exchange rate changes on cash and cash equivalents		18,726	(47,896)
Net increase in cash and cash equivalents of the current period		163,532	110,259
Balance of cash and cash equivalents, beginning of period		1,148,776	1,038,517
Balance of cash and cash equivalents, end of period		\$ 1,312,308	\$ 1,148,776

The accompanying notes are an integral part of the consolidated financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

Independent Auditor’s Audit Report

(2023) Cai-Shen-Bao No. 22004400

To the Board of Directors and Shareholders of I-CHIUN PRECISION INDUSTRY CO., LTD.

Audit opinion

We have reviewed the accompanying parent company only balance sheets of I-CHIUN PRECISION INDUSTRY CO., LTD. (the “Company”) for the years ended December 31, 2022 and 2021 and the relevant parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and 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, based on our audit results and other accountants’ audit reports (see the “other matters” paragraph), present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

The CPA engaged to audit and attest financial statements shall do so in accordance with the Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor’s 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 Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audit results and other accountants’ audit reports, 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 the Company’s audit of the parent company only financial statements of 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company’s parent company only financial statements for 2022 is stated as follows:

Assessment of allowance for inventory valuation losses

Description

For accounting policies for inventories, please refer to Note 4(11) of the parent company only financial statements; for the uncertainty of accounting estimates and assumptions in evaluation of inventories, please refer to Note 5(2) of the parent company only financial statements; for the description of allowance for inventory valuation losses, please refer to Note

6(5) of the parent company only financial statements. The Company's inventories and allowance for inventory valuation losses on December 31, 2022 were NT\$990,623,000 and NT\$139,542,000, respectively.

The Company's evaluation of inventories is based on the cost or net realizable value, whichever is lower. Considering the rapid changes in the technological environment, its measurement is based on the judgment and estimation that there is a higher risk in inventories due to obsolete products or no market value. The Company's inventories are measured at cost or net realizable value, whichever is lower; for inventories exceeding a certain period of age and individually identified obsolete and outdated inventories, the net realizable value is calculated based on historical information on the selling rate of inventories and the extent of discount.

Because the Company's inventories and its allowance for inventory valuation losses has a significant impact on the financial statements, and the net realizable value adopted in the evaluation of outdated and obsolete inventories often involves subjective judgments of whether there is still market sales value in the future, there is a high degree of estimation uncertainty. Therefore, we have listed the assessment of allowance for inventory valuation losses as a key audit matter.

Corresponding audit procedures

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

1. Assess the reasonableness of the policies and procedures used in the allowance for inventory valuation losses based on our understanding of the Company and the nature of the industry, including the inventory classification used to determine the net realizable value and the judgment of obsolete inventory items.
2. Understand the Company's inventory management process, review its annual inventory plan, and participate in the annual inventory taking to evaluate the effectiveness of distinguishing and controlling obsolete and outdated inventories by the management.
3. The methods for verifying the accounting estimates are appropriate and adopted consistently, including the Company's procedures, methods, and assumptions regarding the identification of net realizable value, obsolete inventories, and outdated or damaged items, which are consistent with the previous period.
4. Randomly check the source information on selling prices used for the serial number of individual inventory items, compare the allowance for valuation losses in the previous period, and consider events taking place after the balance sheet, to assess the reasonableness of the allowance for valuation loss provided by the Company.

Other matters – reference to the audit or review of other accountants

Since the Company's investments accounted for under equity method are included in the parent company only financial statements, the financial statements were audited by another auditor. Therefore, for the auditor's opinion on the above-mentioned parent company only financial statements, the financial statement amounts are based on the reports of other auditors. As of December 31, 2022 and 2021, the investments accounted for under equity method was NT\$61,143,000 and NT\$86,333,000, respectively, representing 1% of the total assets. The comprehensive income recognized for the aforementioned investments in 2022 and 2021 was (NT\$25,190,000) and (NT\$4,652,000), accounting for (17%) and (1%) of the Company's total comprehensive income, respectively.

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 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 audit committee) are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit of parent company only financial statements conducted in accordance with TWSA will always detect a material misstatement when it exists. Misstatements can arise from error or fraud 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 the parent company only financial statements.

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

5. 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.
6. 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.
7. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
8. 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

9. 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.
10. Obtain sufficient 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 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 (including relevant protective measures).

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

PRICEWATERHOUSECOOPERS TAIWAN

FENG,MIN-CHUAN

Certified Public Accountant

LIN,YA-HUI

Securities and Futures Bureau, Former Financial Supervisory
Commission, Executive Yuan

Approval Document No.: Jin-Guan-Zheng-Six No. 0960038033

Financial Supervisory Commission

Approval Document No.: Jin-Guan-Zheng-Shen No. 1070323061

March 8, 2023

I-CHIUN PRECISION INDUSTRY CO., LTD.
Parent Company Only Balance Sheets
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

Asset	Notes	2022/12/31		2021/12/31		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 519,503	8	\$ 343,281	5
1110	Financial assets at fair value through profit and loss - current	6(2)	124,680	2	5,520	-
1170	Accounts receivable, net	6(4) and 12(2)	881,579	13	1,166,754	17
1180	Accounts receivable - related parties, net	6(4) 7 and 12(2)	75,188	1	77,084	1
1200	Other receivables		32,837	1	41,755	1
1210	Other receivables - related parties	7	44,563	1	78,897	1
1220	Current income tax assets		52	-	254	-
130X	Inventories	6(5)	851,081	13	984,760	14
1479	Other current assets - others		<u>24,310</u>	-	<u>58,616</u>	<u>1</u>
11XX	Total current assets		<u>2,553,793</u>	<u>39</u>	<u>2,756,921</u>	<u>40</u>
Non-current assets						
1510	Financial assets at fair value through profit and loss - non-current	6(2)	-	-	-	-
1535	Financial assets at amortized cost - non-current	6(3) and 8	28,000	-	24,000	-
1550	Investments accounted for under equity method	6(6)	2,651,628	40	2,554,910	37
1600	Property, plant and equipment	6(7) and 8	884,031	13	873,614	13
1755	Right-of-use assets	6(8)	320,683	5	363,809	5
1780	Intangible assets		16,790	-	14,170	-
1840	Deferred income tax assets	6(22)	67,549	1	107,228	2
1900	Other non-current assets	6(6) (24)	<u>99,340</u>	<u>2</u>	<u>214,955</u>	<u>3</u>
15XX	Total non-current assets		<u>4,068,021</u>	<u>61</u>	<u>4,152,686</u>	<u>60</u>
1XXX	Total assets		<u>\$ 6,621,814</u>	<u>100</u>	<u>\$ 6,909,607</u>	<u>100</u>

(Continued)

I-CHIUN PRECISION INDUSTRY CO., LTD.
Parent Company Only Balance Sheets
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

Liabilities and shareholders' equity	Notes	2022/12/31		2021/12/31		
		Amount	%	Amount	%	
Liability						
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 260,000	4	\$ 130,000	2
2130	Contract liabilities - current	6(17)	13,029	-	28,804	-
2170	Accounts payable	7	219,482	3	402,995	6
2200	Other payables	6(10)	150,047	2	296,207	4
2230	Current income tax liabilities		7,399	-	-	-
2280	Lease liabilities - current		37,322	1	36,926	1
2320	Long-term borrowings (including due within one year or one operating cycle)	6(11) and 8	240,000	4	-	-
2399	Other current liabilities - others		5,021	-	5,160	-
21XX	Total current liabilities		<u>932,300</u>	<u>14</u>	<u>900,092</u>	<u>13</u>
Non-current liabilities						
2540	Long-term borrowings	6(11) and 8	960,000	14	1,200,000	17
2570	Deferred income tax liabilities	6(7) (22)	299,658	5	308,086	5
2580	Lease liabilities - non-current		301,780	5	338,406	5
2600	Other non-current liabilities	6(12)	84,997	1	90,797	1
25XX	Total non-current liabilities		<u>1,646,435</u>	<u>25</u>	<u>1,937,289</u>	<u>28</u>
2XXX	Total liabilities		<u>2,578,735</u>	<u>39</u>	<u>2,837,381</u>	<u>41</u>
Equity						
Share capital						
3110	Share capital - common stock	6(14)	2,219,586	34	2,219,586	32
Capital surplus						
3200	Capital surplus	6(15)	1,814,424	27	1,847,718	27
Retained earnings						
3310	Legal reserve	6(16)	22,267	-	-	-
3320	Special reserve		115,330	2	-	-
3350	Undistributed earnings		111,683	2	222,670	3
Other equity						
3400	Other equity		(179,509)	(3)	(217,748)	(3)
3500	Treasury stock	6(14)	(60,702)	(1)	-	-
3XXX	Total equity		<u>4,043,079</u>	<u>61</u>	<u>4,072,226</u>	<u>59</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
Significant Events after the Balance Sheet Date						
3X2X	Total liabilities and equity		<u>\$ 6,621,814</u>	<u>100</u>	<u>\$ 6,909,607</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements, and shall be read together.

Chairman: CHOU, WAN-SHUN

Manager: CHOU, WAN-SHUN

Accounting Officer: YANG, PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand
(except for earnings per share which is in NTD)

	Items	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	6(17) and 7	\$ 2,725,404	100	\$ 3,009,589	100
5000	Operating costs	6(5) (21) and 7	(2,422,592)	(89)	(2,514,844)	(84)
5900	Gross profit		302,812	11	494,745	16
5910	Unrealized loss (profit) from sales		4,181	-	(2,656)	-
5950	Net operating margin		306,993	11	492,089	16
	Operating expense	6(21) and 7				
6100	Selling expenses		(77,911)	(3)	(78,002)	(2)
6200	Administrative expenses		(114,289)	(4)	(201,037)	(7)
6300	Research and development expenses		(39,654)	(1)	(48,607)	(2)
6450	Expected credit impairment profit (loss)	12(2)	8,511	-	(14,978)	-
6000	Total operating expenses		(223,343)	(8)	(342,624)	(11)
6900	Operating profit		83,650	3	149,465	5
	Non-operating revenues and expenses					
7100	Interest revenue		1,378	-	685	-
7010	Other revenue	6(18)	6,915	-	7,161	-
7020	Other gains and losses	6(19)	127,196	5	(28,833)	(1)
7050	Finance costs	6(20)	(39,334)	(1)	(27,041)	(1)
7070	Share of profit or loss on associates and joint ventures accounted for under equity method	6(6)	(48,024)	(2)	341,729	11
7000	Total non-operating income and expenses		48,131	2	293,701	9
7900	Net profit before tax		131,781	5	443,166	14
7950	Income tax expense	6(22)	(28,493)	(1)	(67,399)	(2)
8200	Current net profit		\$ 103,288	4	\$ 375,767	12
	Other comprehensive income (net), net					
	Items that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	6(12)	\$ 3,500	-	\$ 1,693	-
8349	Income tax related to items that will not be reclassified to profit or loss	6(22)	(700)	-	(339)	-
8310	Total of items that will not be reclassified to profit or loss		2,800	-	1,354	-
	Items that may be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		47,799	2	(50,914)	(2)
8399	Income tax relating to the items that may be reclassified to profit or loss	6(22)	(9,560)	(1)	10,183	1
8360	Sum of items that may be reclassified to profit or loss		38,239	1	(40,731)	(1)
8300	Other comprehensive income (net), net		\$ 41,039	1	(\$ 39,377)	(1)
8500	Total comprehensive income for current period		\$ 144,327	5	\$ 336,390	11
	Earnings per share (EPS)	6(23)				
9750	Basic earnings per share		\$	0.47	\$	1.79
9850	Diluted earnings per share		\$	0.46	\$	1.79

The accompanying notes are an integral part of the parent company only financial statements, and shall be read together.

Chairman: CHOU,WAN-SHUN

Manager: CHOU,WAN-SHUN

Accounting Officer: YANG,PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand
(except for earnings per share which is in NTD)

2021

Balance at January 1, 2021		\$ 2,019,586	\$ 1,156,598	\$ -	\$ -	(\$ 154,040)	(\$ 177,017)	\$ -	\$ 2,845,127
Current net profit		-	-	-	-	375,767	-	-	375,767
Other comprehensive income for current period		-	-	-	-	1,354	(40,731)	-	(39,377)
Total comprehensive income for current period		-	-	-	-	377,121	(40,731)	-	336,390
Capital increase in cash	6(14) (15)	200,000	660,000	-	-	-	-	-	860,000
Cost of share-based payment	6(13) (15)	-	31,120	-	-	-	-	-	31,120
Changes in ownership interests in subsidiaries		-	-	-	-	(411)	-	-	(411)
Balance at December 31, 2021		<u>\$ 2,219,586</u>	<u>\$ 1,847,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,670</u>	<u>(\$ 217,748)</u>	<u>\$ -</u>	<u>\$ 4,072,226</u>

2022

Balance at January 1, 2022		\$ 2,219,586	\$ 1,847,718	\$ -	\$ -	\$ 222,670	(\$ 217,748)	\$ -	\$ 4,072,226
Current net profit		-	-	-	-	103,288	-	-	103,288
Other comprehensive income for current period		-	-	-	-	2,800	38,239	-	41,039
Total comprehensive income for current period		-	-	-	-	106,088	38,239	-	144,327
Earnings appropriation and distribution for 2021:	6(16)								
Allocation for Legal reserve		-	-	22,267	-	(22,267)	-	-	-
Allocation for Special reserve		-	-	-	115,330	(115,330)	-	-	-
Cash dividend paid out		-	-	-	-	(77,686)	-	-	(77,686)
Cash dividend paid out from capital surplus	6(15) (16)	-	(33,294)	-	-	-	-	-	(33,294)
Changes in ownership interests in subsidiaries		-	-	-	-	(1,792)	-	-	(1,792)
Treasury shares repurchased	6(19)	-	-	-	-	-	-	(60,702)	(60,702)
Balance at December 31, 2022		<u>\$ 2,219,586</u>	<u>\$ 1,814,424</u>	<u>\$ 22,267</u>	<u>\$ 115,330</u>	<u>\$ 111,683</u>	<u>(\$ 179,509)</u>	<u>(\$ 60,702)</u>	<u>\$ 4,043,079</u>

The accompanying notes are an integral part of the parent company only financial statements, and shall be read together.

Chairman: CHOU,WAN-SHUN

Manager: CHOU,WAN-SHUN

Accounting Officer: YANG,PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NTD thousand

	<u>Notes</u>	<u>2022/1/1 ~ 2022/12/31</u>	<u>2021/1/1 ~ 2021/12/31</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Current net profit before tax		\$ 131,781	\$ 443,166
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expenses	6(7) (8) (21)	190,101	217,072
Amortization expenses	6(21)	3,394	2,998
Expected credit impairment loss (profit)	12(2)	(8,511)	14,978
Net losses on financial assets at fair value through profit and loss	6(19)	20,302	330
Interest expenses	6(20)	39,334	27,041
Interest revenue		(1,378)	(685)
Dividend revenue	6(18)	(180)	(180)
Cost of share-based payment	6(13)	-	31,120
Share of profit or loss on subsidiaries using equity method	6(6)	48,024	(341,729)
Gains from disposal of investments	6(19)	(30,173)	-
Gains on disposal of property, plant and equipment	6(19)	(6,945)	(4,815)
Impairment loss	6(6) (19)	-	34,015
Gains arising from lease changes	6(19)	-	(1,257)
Unrealized gains with associates		(6,357)	(12,013)
Unrealized loss (profit) from sales		(4,181)	2,656
Changes in operating assets and liabilities			
Net changes in operating assets			
Notes receivable		-	22
Accounts receivable (including related parties)		294,987	(656,464)
Other receivables - (including related parties)		52,996	2,552
Inventories		133,679	(508,051)
Other current assets		34,307	(38,379)
Other non-current assets		(382)	(1,239)
Net changes in operating liabilities			
Contract liabilities - current		(15,775)	(3,080)
Accounts payable		(183,513)	127,723
Other payables		(102,435)	139,814
Other current liabilities		(140)	698
Other non-current liabilities		(2,033)	(6,652)
Cash inflow (outflow) generated from operations		586,902	(530,359)
Interest received		1,378	685
Dividends received		180	180
Interest paid	6(24)	(38,927)	(27,229)
Net cash inflow (outflow) from operating activities		<u>549,533</u>	<u>(556,723)</u>

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease (increase) in financial assets at amortized cost		(\$ 4,000)	\$ 8,000
Price of acquisition of investments accounted for under equity method	6(6)	-	(125,000)
Acquisition of financial assets at fair value through profit and loss		(267,241)	-
Disposal of financial assets at fair value through profit and loss		157,952	-
Price of purchase of property, plant and equipment	6(24)	(213,044)	(204,094)
Proceeds from disposal of property, plant and equipment		20,617	23,422
Price of acquisition of intangible assets		(6,014)	(10,183)
Increase in prepayments for investments	6(6)	-	(97,249)
Increase (decrease) in other non-current assets		<u>6,025</u>	<u>(7,200)</u>
Cash outflow from investing activities		<u>(305,705)</u>	<u>(412,304)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in Short-term borrowings	6(25)	130,000	130,000
New long-term borrowings	6(25)	-	1,200,000
Repayment of long-term borrowings	6(25)	-	(1,441,996)
Cash dividend paid out	6(16)	(110,980)	-
Repurchased treasury shares	6(24)	(49,661)	-
Repayment of lease principal	6(25)	(36,965)	(34,893)
Capital increase in cash	6(14)	<u>-</u>	<u>860,000</u>
Net cash inflow (outflow) from financing activities		<u>(67,606)</u>	<u>713,111</u>
Net increase (decrease) in cash and cash equivalents of the current period		176,222	(255,916)
Balance of cash and cash equivalents, beginning of period		<u>343,281</u>	<u>599,197</u>
Balance of cash and cash equivalents, end of period		<u>\$ 519,503</u>	<u>\$ 343,281</u>

The accompanying notes are an integral part of the parent company only financial statements, and shall be read together.

Chairman: CHOU,WAN-SHUN

Manager: CHOU,WAN-SHUN

Accounting Officer: YANG,PAI-JUNG

I-CHIUN PRECISION INDUSTRY CO., LTD.

Rules and Procedures of Board Meetings Amendment Comparison Table

Article Revision description	After revision	Before revision	Revision description
Article 3	<p>The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	<p>The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <u>except in the case of an emergency or for other legitimate reason.</u></p>	Cooperate with the revision of the procedures of the board of directors
Article 12	<p>The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> 1. The Company's business plan. 2. Annual financial report and semi-annual financial report. <p>However, the semi-annual financial report does not need</p>	<p>The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> 1. The Company's business plan. 2. Annual financial report and semi-annual financial report. <p>However, the semi-annual financial report does not need</p>	Paragraph 6 of the first item is added in line with the amendment to the procedure of the board of directors,

Article Revision description	After revision	Before revision	Revision description
	<p>to be audited and certified by an accountant according to laws and regulations, this restriction does not apply.</p> <p>3. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14-1 of <u>Securities and Exchange Act</u>.</p> <p>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. <u>If the board of directors does not have a managing director, the chairman shall be elected or dismissed.</u></p> <p>7. Appointment and dismissal of financial, accounting or internal audit supervisors.</p> <p>8. Donations to related parties or major donations to non-related parties. However, public welfare donations for emergency relief due to major</p>	<p>to be audited and certified by an accountant according to laws and regulations, this restriction does not apply.</p> <p>3. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14-1 of this <u>Act</u>.</p> <p>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. Appointment and dismissal of financial, accounting or internal audit supervisors.</p> <p>7. Donations to related parties or major donations to non-related parties. However, public welfare donations for emergency relief due to major natural disasters may be submitted to the next board of directors for ratification.</p> <p>8. Any matter that, under Article 14-3 of the Securities and</p>	<p>And cooperate to move the sixth to the eighth paragraphs as the seventh to the ninth paragraphs. The second item is amended to match the paragraphs involved in the first item</p>

Article Revision description	After revision	Before revision	Revision description
	<p>natural disasters may be submitted to the next board of directors for ratification.</p> <p>9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of</p>	<p>Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>7</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p>	

Article Revision description	After revision	Before revision	Revision description
	<p>directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. At least one independent director shall attend the board meeting in person; for the first item that should be brought up for resolution by the board of directors, all independent directors shall attend the board meeting. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting; if independent directors cannot express their objections or reserved opinions in person at the board meeting, unless there are legitimate reasons, they shall issue written opinions in advance and state them in the minutes of the board meeting .</p>	<p>At least one independent director shall attend the board meeting in person; for the first item that should be brought up for resolution by the board of directors, all independent directors shall attend the board meeting. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting; if independent directors cannot express their objections or reserved opinions in person at the board meeting, unless there are legitimate reasons, they shall issue written opinions in advance and state them in the minutes of the board meeting .</p>	
Article 15	<p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and</p>	<p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and</p>	Amendment to cite company law items

Article Revision description	After revision	Before revision	Revision description
	<p>voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraphs from exercising voting rights.</p>	<p>voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 2 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraphs from exercising voting rights.</p>	
Article 16	<p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> 1.The meeting session (or year) and the time and place of the meeting. 2.The name of the chair. 3.The directors' attendance at the meeting, including the names and the number of directors in 	<p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> 1.The meeting session (or year) and the time and place of the meeting. 2.The name of the chair. 3.The directors' attendance at the meeting, including the names and the number of directors in 	<p>In line with the director's meeting procedures, some articles were revised as appropriate Paragraph 7 of Paragraph 1 Amendments to Article Number Items</p>

Article Revision description	After revision	Before revision	Revision description
	<p>attendance, excused, and absent.</p> <p>4.The names and titles of those attending the meeting as non-voting participants. 5.The name of the minute taker.</p> <p>6.The matters reported at the meeting.</p> <p>7.Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in <u>paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal</u>;opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p> <p>8.Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as <u>referred to in paragraph 1 of the preceding</u></p>	<p>attendance, excused, and absent.</p> <p>4.The names and titles of those attending the meeting as non-voting participants. 5.The name of the minute taker.</p> <p>6.The matters reported at the meeting.</p> <p>7.Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p> <p>8.Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as; and their objections or reservations and any recorded or written statements.</p> <p>9.Other matters required to be recorded.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker,</p>	

Article Revision description	After revision	Before revision	Revision description
	<p><u>article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</u></p> <p>9. Other matters required to be recorded.</p> <p><u>The resolutions of the board of directors, in case of any of the following circumstances, shall not only be stated in the meeting minutes, but shall also be announced and declared on the information reporting website designated by the competent authority within two days from the date of the board meeting:</u></p> <p><u>(1) Independent directors have objections or reservations and there are records or written statements.</u></p> <p><u>(2) For a company that has an audit committee, the approval has not been approved by the audit committee but has been approved by more than two-thirds of all directors.</u></p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within</p>	<p>and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produce and distributed in electronic form.</p>	

Article Revision description	After revision	Before revision	Revision description
	<p>20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produce and distributed in electronic form.</p>		
Remark	<p>Date of Amendment: 7/28/2017 (approved by shareholders on 6/5/2018)</p> <p>Date of Amendment: 11/8/2017 (approved by the shareholders meeting on 6/5/2018)</p> <p>Date of Amendment: 3/23/2020 (approved by shareholders on 6/10/2020)</p> <p><u>Date of Amendment: 11/9/2022</u> <u>(approved by shareholders on 5/30/2023)</u></p>	<p>Date of Amendment: 7/28/2017 (approved by shareholders on 6/5/2018)</p> <p>Date of Amendment: 11/8/2017 (approved by the shareholders meeting on 6/5/2018)</p> <p>Date of Amendment: 3/23/2020 (approved by shareholders on 6/10/2020)</p>	Add Amendment date

List of Candidates for Directors (Including Independent Directors)

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
Chairman	Wan-Shun Chou	Pacific Western University Doctor of Business Administration	I-Chiun Precision Industry Co., Ltd Chairman Ecocera Optronics Co.,Ltd. Chairman Aimcore Technology Co., Ltd. Supervisor	I-Chiun Precision Industry Co., Ltd Chairman Ecocera Optronics Co.,Ltd. Chairman Advance Venture Corporation Chairman Aimcore Technology Co., Ltd. Chairman	21,575,157	None
Director	Chung-Yi Li	National Chengchi University EMBA	I-Chiun Precision Industry Co., Ltd Vice Chairman I-Chiun Precision Industry Co., Ltd General Manager Ecocera Optronics Co.,Ltd. Director	I-Chiun Precision Industry Co., Ltd Vice Chairman Ecocera Optronics Co.,Ltd. Vice Chairman, General Manager Advance Venture Corporation Director	16,007,705	None
Director	Wu-Chun Lin	National Taiwan University Department of Political Science,	Metaltech Industrial Co., Ltd. Director Phonic Corporation Director Taiwan Provincial Consultative Council Tainan City Government Bureau Of Social Affairs Director Tainan Normal University Adjunct Associate Professor Xixi University Adjunct Associate Professor	I-Chiun Precision Industry Co., Ltd Director Ensure Global Corp., Ltd. Director Sfi Electronics Technology Inc. Director Uni-president corporate Social Welfare Charity Foundation Director	516,693	None

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
Director	Chwei-Chien Yeh	Stevens Institute of Technology Master	Chairman Corporation Director Zhong Fu Tong Group Co.,ltd. Chairman Zhongyuan International Venture Capital Co., Ltd. Chairman Ritdisplay Corporation Chairman Prorit Corporation Director Aimcore Technology Co., Ltd. Chairman Ritedia Corporation Chairman Ritfast Corporation Chairman	Ritek Corporation Chairman U-tech Media Corporation. Chairman Zhong Fu Tong Group Co.,ltd. Chairman Centaline International Venture Capital Chairman Cairns Investment Co., Ltd. Director Aimcore Technology Co., Ltd. Chairman Pvnext Corporation Chairman Ritdisplay Corporationchairman Ritfast Corporationchairman Ritedia Corporationchairman Ritwin Corporationchairman Yusheng Investment	0	None

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
				Development Co., Ltd. Director Welltech Energy Inc. Director Infinit Co., Ltd. Director I-Chiun Precision Industry Co., Ltd Director		
Independent Director	Jih-Chien Li	Chinese Culture University Doctor of Business, Master of International Business Administration, Chinese Culture University Institute of International Business Administration,	Chinese Culture University Lecturer, Department Of International Business Administration Ming Yuan Certified public Accountants Assistant Manager	Assistant Professor, Chinese Culture University Highlight Tech International Corp. Director Ming Yang Enterprise Management Consulting Co., Ltd. Director Far East Commerce Co., Ltd. Director Mingyuan Enterprise Management Consulting Co., Ltd. Director I-Chiun Precision Industry Co., Ltd Independentdirector	500,000	NA

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
Independent Director	Chung-Chien Kuo	Chinese Culture University Master of Business Administration Tatung University Department of Business Administration/Bachelor	Deputy Convener Of The Disciplinary Committee Of The Securities Association Of The Republic Of China Executive Director Of Taipei Securities Investment Trust And Consulting Business Association Adjunct Assistant Professor-level Professional And Technical Personnel In The Finance Department Of Central University Aimcore Technology Co., Ltd. Supervisor Innopharmax Inc. Supervisor Ecocera Optronics Co.,ltd. Independent Director Human Cultural Enterprise Co., Ltd.	I-Chiun Precision Industry Co., Ltd Independent Director Jin Yuan San Automobile Co., Ltd. Director Member Of The Research And Development Committee Of The Securities Association Of The Republic Of China Fu Lu Shou Park Co., Ltd. Director Sanjin Integrated Marketing Co., Ltd. Director	0	NA

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
			Director Joyin Co., Ltd. Independent Director Zhifu Car Rental Co., Ltd. Supervisor			
Independent Director	Hsien-Sung Chang	Dongfang High School of Industry and Commerce	Song Lei Precision Industries Co., Ltd.chairman Ecocera Optronics Co.,ltd. Independentdirector	Song Lei Precision Industries Co., Ltd. Chairman I-Chiun Precision Industry Co., Ltd Independent Director	107,922	NA
Independent Director	Shun-Ching ,Hung	Northwestern University PhD in Marketing National Chengchi University Master of Business Administration National Chengchi University Bachelor of Statistics	Aimcore Technology Co., Ltd. Independent Director Le Young Construction Co., Ltd. Independent Director E-life Mall Corporation Independent Director ZS Associates,inc. Senior Marketing Scientist	U-TECH Media Corporation. Independent Director	0	NA

Nominee categories	Nominee's name	Education background	Experience	Present	Amount of shares held (unit: share)	Represented government or legal person name
			<p>National Chengchi University Professor, Dean And Director Of The Institute Of Business Administration</p> <p>Associate Professor, Institute Of Enterprise Management, National Sun Yat-sen University</p>			

Contents of Non-compete for director candidates

Job Title	Name	Concurrent Company Name	Concurrent Post Title
Director	Wan-Shun Chou	Ecocera Optronics Co.,Ltd. Advance Venture Corporation Aimcore Technology Co., Ltd. I-zou Hi-tech (szn) co., Ltd. Chiun Precision Electric Industry (china) co., Ltd. I-chiun Precision Electric (nanjing) co., Ltd. I-chiun Technology (China) Co., Ltd. More Fortune Profits Limited I-chiun (Cayman) Precision Industry Co., Ltd. I-chiun Technology Co., Ltd.	Director Director Director Director Director Director Director Director Director Director
Director	Chung-Yi Li	Ecocera Optronics Co.,Ltd. Advance Venture Corporation I-zou Hi-tech (szn) co., Ltd. I-chiun Precision Electric (nanjing) co., Ltd. I-chiun Technology (China) Co., Ltd.	Director Director Director Director Director
Director	Wu-Chun Lin	Ensure Global Corp., Ltd. Sfi Electronics Technology Inc.	Director Director
Director	Chwei-Chien Yeh	Ritek Corporation U-tech Media Corporation. Zhong Fu Tong Group Co.,Ltd. Centaline International Venture Capital Cairns Investment Co., Ltd. Aimcore Technology Co., Ltd. Pvnext Corporation Ritdisplay Corporation Ritfast Corporation Ritedia Corporation Ritwin Corporation Yusheng Investment Development Co., Ltd. Welltech Energy Inc. Infinit Co., Ltd.	Director Director Director Director Director Director Director Director Director Director Director Director Director Director
Independent Director	Jih-Chien Li	Ming Yuan Enterprise co., ltd. Ming Yang Enterprise Management Consulting Co., Ltd. Far East Commerce co., ltd. Mingyuan Enterprise Management Consulting Co., Ltd.	Director Director Director Director
Independent Director	Chung-Chien Kuo	Jin Yuan San Automobile Co., Ltd. Fu Lu Shou Park Co., Ltd. Sanjin Integrated Marketing Co., Ltd.	Director Director Director
Independent Director	Hsien-Sung Chang	Song Lei Precision Industries Co., Ltd.	Director
Independent Director	Shun-Ching ,Hung	U-TECH Media Corporation.	Director

