



POWERTIP TECH. CORP.
DISPLAY DEVICES FOR BETTER ELECTRONIC DESIGN

Stock Code: 6167

Powertip Technology Corporation

2023 Annual General Shareholders' Meeting

Meeting Handbook

June 20, 2023 (9:00 am)

**No. 8, Gongyequ 6th Rd., Xitun Dist., Taichung City
(company conference room)**

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Powertip Technology Corporation
Meeting Procedures for the 2023 Annual General
Shareholders' Meeting

- ONE. Call to Order
- TWO. Chairman Ready
- THREE. Chairman's speech
- FOUR. Report Items
- FIVE. Ratifications
- SIX. Elections
- SEVEN. Extempore Motions
- EIGHT. Meeting Adjourned

TWO. Meeting Agenda

Employed method: Physical meeting

Time: June 20, 2023 (Tuesday) 9:00 a.m.

Venue: No. 8, Gongyequ 6th Rd., Xitun Dist., Taichung City (company conference room)

- (One). Report of the number of shares represented by shareholders present at the meeting
- (Two). Announcement of the meeting
- (Three). Chairman's speech
- (Four). Report Items
 - I. 2022 Business Report.
 - II. Audit Committee's Review Report on 2022 Final Account Statements.
 - III. 2022 Annual Report on Employee Compensation and Director Compensation.
 - IV. Report on the Distribution of Cash Dividends from Earnings in 2022.
 - V. Other Matters to Report.

- (Five). Ratifications
 - I. Ratification of the 2022 Business Report and Financial Statements.
 - II. Ratification of 2022 Earnings Distribution Proposal.

- (Six). Elections
 - I. By-election of the 12th-Term Independent Directors

- (Seven). Extempore Motions

- (Eight). Meeting adjourned

THREE. Report Items

Agenda 1

Subject: 2022 Business Report

Description: Please refer to page 6 of this Handbook for the Business Report.

Agenda 2

Subject: Review Report of the Audit Committee regarding 2022 Final Account Statement

Description: Please refer to page 7 of this manual for the Audit Committee's review report.

Agenda 3

Subject: Report on the Distribution of Employee and Director Compensation in 2022

Description: The 2022 proposal for distribution of employee and director compensations has been put forward pursuant to the Company's Articles of Incorporation, with employee and director compensations amounting to NT\$14,300,476 and NT\$2,860,095, respectively, to be distributed in cash.

Agenda 4

Subject: Report on the Distribution of Cash Dividends from Earnings in 2022

Description: Except for the statutory reserve and special reserve set aside pursuant to the Company's Articles of Incorporation, the Company's 2022 earnings were distributed in form of cash dividends of NT\$0.7 per share to shareholders, totaling NT\$113,521,255.

Agenda 5

Subject: Other reporting matters.

Description: Shareholder proposals are accepted in accordance with Article 172-1 of the Company Act. No proposal was received in this year's general meeting of shareholders.

FOUR. Ratifications

Agenda 1

(Proposed by the Board of Directors)

- Subject: 2022 Business Report and Financial Statements respectfully submitted for ratification
- Description: I. The 2022 financial statements (including the parent company only and consolidated balance sheets, consolidated income statements, statement of changes in equity, and cash flow statements) have been audited and attested by CPAs Wang, Yi-Wen and Kuo, Guan-Ying of KPMG Taiwan. The issued audit report has been submitted to the Audit Committee together with the Business Report for review. The Audit Committee has detected no non-conformities.
- II. Please refer to page 6 and pages 8 to 21 of this handbook for the 2022 Business Report, the CPA Audit Report, and the aforementioned Financial Statements.
- III. Recognition

Resolution:

Agenda 2

(Proposed by the Board of Directors)

- Subject: 2022 Earnings Distribution Proposal
- Description: I. The 2022 Earnings Distribution Table is shown below:

Powertip Technology Corporation		
Disposition of Net Earnings		
2022		
		Unit: NTD
Accumulated earnings at the beginning of the period		87,061
Addition (subtraction):		
Changes in the re-measurement amount of the defined benefit plan in this period	5,214,305	
Net income after tax in the current year	249,033,544	254,247,849
Earnings available for distribution		254,334,910
Addition (subtraction):		
Appropriated 10% statutory reserve	(25,424,785)	
Special reserve	(87,061)	
Distribution items:		
Shareholder dividends - cash - NT\$0.7 per share	(113,521,255)	(139,033,101)
Undistributed earnings at the end of the period		115,301,809

Note 1: As of December 31, 2022, the number of shares outstanding for earnings distribution was 162,173,221.

Note 2: Allotted employee compensation - NT\$14,300,476 in cash.
Allotted director compensation - NT\$2,860,095 in cash.

Chairman: Wang, Shyh-Yueh President: Wang, Shyh-Yueh Head of Accounting: Liou, Shao-Ling

II. Recognition

Resolution:

FIVE. Elections

Agenda 1

(Proposed by the Board of Directors)

Subject: By-election of the 12th-Term Independent Directors

Description: I. By-election of one independent director (12th-Term Board) for a term of office from June 20, 2023 to July 14, 2024.

II. Basic information of independent director candidates nominated by the Company:

Independent director candidates	Education	Work experience	Incumbent	Number of shares held
Lai, Tzu-Jui	National Taiwan University Department of Accounting	©Radiant Innovation Inc. Finance & Accounting Manager ©Yuanta Jinghua Securities Assistant Manager of the Underwriting Department (renamed to Yuanta Securities) ©Auditor of Chien Yeh at Diwan & Company (renamed to Ernst & Young)	©Radiant Innovation Inc. Finance & Accounting Manager ©Neousys Technology Independent director / Audit Committee / Remuneration Committee member	None

Voting Results:

SIX. Extempore Motions

SEVEN. Meeting Adjourned

2022 Business Report

I. Implementation results of the Company's Business Plan:

Operating Results

Unit: NT\$ thousand

Consolidated	2022	2021	Growth Rate %
Operating revenue	2,153,753	1,878,210	15%
Net income before tax	290,953	91,637	218%
Net income after tax	249,034	80,894	208%
Profitability	11.56%	4.31%	168%

The increase in consolidated operating revenue and net income before and after tax for 2022 can mainly be attributed to the following factors:

- (I) Compared with 2021, the YoY increase in consolidated operating revenue by NT\$275,543 thousand in 2022 is mainly due to the abating pandemic and the rising number of orders placed by major customers (e.g., smart home appliances and lawn mowers...).
- (II) Reason for net income before and after tax profit: The increase in net income before and after tax by NT\$199,316 thousand and NT\$ 168,140 thousand, respectively, in 2022 is mainly due to the increase in consolidated operating revenue by NT\$275,543 thousand and effective control of operating costs in 2022 coupled with a substantial growth of foreign exchange gains from non-operating revenue by NT\$55,507 thousand compared to 2021 and ongoing profits derived from the reinvestment in Powertip Image Corp. (recognized investment income of NT\$50,154 thousand).

II. Financial income and expenses and profitability analysis:

(I) Finance income and expenditures:

In 2022, the Company's interest revenue was NT\$4,810 thousand, interest expenditures were NT\$3,492 thousand, and foreign exchange gains were NT\$54,591 thousand, resulting in a total financial revenue of NT\$55,909 thousand.

(II) Profitability Analysis:

Item	2022	2021
Return on Assets %	11.24%	4.04%
Return on Equity %	14.89%	5.33%
Profit Margin%	11.56%	4.31%
Earnings per share (NT\$)	1.54	0.50

III. Research and Development:

In addition to the development of standard technology products, the Company provided total solutions for customized system host and integrated display product development (including customized OS/SBC/Display/Interface/Mechanism) to make strides on the path toward all-around, autonomous control of technology development in 2022. Apart from the ongoing supply of mass-manufactured products for EV-related industries, the Company currently actively pursues customers in the fields of medical devices, white goods, and flat panel displays for sports equipment.

As for the autonomous research and development of embedded products, the successful launch of the 64bit ARM Base mainboard system has been followed up with the planning of R&D initiatives in the field of higher-end mainboards and whole units paired with the integration of HMI/human-machine interaction technology overlaid on its existing display product lines. The Company is also actively committed to development of autonomous technologies and forward-looking display technologies in the fields of Edge Computing / AIOT / Machine Vision / Haptic...

Chairman: Wang, Shyh-Yueh

President: Wang, Shyh-Yueh

Head of Accounting: Liou, Shao-Ling

Audit Committee Audit Report

The 2022 Business Report, the financial statements, and the earnings distribution table have been reviewed by the Audit Committee and no non-conformities have been detected. The financial statements have been audited and attested by CPAs Wang, Yi-Wen and Kuo, Guan-Ying of KPMG Taiwan. The issued audit report has been duly submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely

to

2023 Annual General Shareholders' Meeting

Powertip Technology Corporation

Convenor of the Audit Committee: Tsai, WenChieh

March 21, 2023

Independent Auditor's Report

To the board of directors of Powertip Technology Corporation:

Audit opinions

We have audited the consolidated balance sheet of Powertip Technology Corporation and subsidiaries (Powertip Technology Group) as at December 31, 2022 and 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement, and the accompanying footnotes (including summary of key accounting policies) for the periods January 1 to December 31, 2022 and 2021.

In our opinion, all material disclosures of the consolidated financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the version of International Financial Reporting Standards, International Accounting Standards and interpretations thereof approved and published by the Financial Supervisory Commission, and presented a fair view of the consolidated financial position of Powertip Technology Group as at December 31, 2022 and 2021, and consolidated business performance and cash flow for the periods January 1 to December 31, 2022 and 2021.

Basis of audit opinion

We have conducted our audits on the financial statements in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities as an auditor for the consolidated financial statements under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from Powertip Technology Group when performing their duties. We believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2022 consolidated financial statements of Powertip Technology Group. These issues have already been addressed when we audited and formed our opinions on the consolidated financial statements. Therefore we do not provide opinions separately for individual issues. Below are the key audit issues that we consider relevant for disclosure in this audit report:

I. Revenue recognition

Please refer to Note 4 (14) "Revenue recognition" in the consolidated financial statements for the accounting policy on revenue recognition;

please refer to Note 6 (15) "Revenue from contracts with customers" for additional information on revenue.

Explanation of key audit issues:

Powertip Technology Group mainly engages in the manufacturing and sales of various LCD modules.

Operating revenue is one of the important items in the consolidated financial statements, and the amount and changes in the operating revenue may affect the financial statement users' understanding of such statements. For this reason, revenue recognition testing was identified as one of our key audit matters when we audited the financial statements of Powertip Technology Group.

Audit procedures:

Our main audit procedures for the above key audit matter included testing the control over the sales and collection cycle, checking and adjusting the sales system data and the general ledger, sampling and testing the details of the relevant supporting documents, and assessing if the timings of Powertip Technology Group's recognition of operating revenue and the recognized amounts were handled in accordance with the relevant standards.

Other matters

Powertip Technology Corporation has prepared parent company only financial statements for 2022 and 2021, to which we issued an independent auditor's report with unqualified opinion.

Responsibilities of the management and governance body to the consolidated financial statements

Responsibilities of the management were to prepare and ensure fair presentation of consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the version of IFRS, IAS, IFRIC and interpretations thereof approved and effected by the Financial Supervisory Commission, and to exercise proper internal control practices that are relevant to the preparation of consolidated financial statements so that the consolidated financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing consolidated financial statements also involved: assessing the ability of Powertip Technology Group to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate Powertip Technology Group or cease business operations, or is compelled to do so with no alternative solution.

The governance body of Powertip Technology Group (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing consolidated financial statements

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with the auditing principles do not necessarily guarantee detection of all material misstatements within the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the consolidated financial statement user.

When conducting audits in accordance with the auditing principles, we exercised judgments and skepticism as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of Powertip Technology Group.

3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of Powertip Technology Group to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of consolidated financial statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or change of circumstances may still render Powertip Technology Group no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the consolidated financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the consolidated financial statements.
6. Obtaining sufficient and appropriate audit evidence on financial information of equity-accounted investments held by the group, and expressing opinions on consolidated financial statements. Our responsibilities as auditor are to instruct, supervise, and execute audits and form audit opinions on the group.

We have communicated with the governance body about the scope, timing, and significant findings (including significant defects identified in internal control) of our audit.

We have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics of the Republic of China, and communicated with the governance body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governance body regarding the 2022 consolidated financial statements of Powertip Technology Group. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decide not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

The engagement partners on the audit resulting in this independent auditor's report are Wang, Yi-Wen and Kuo, Guan-Ying.

KPMG

Taipei, Taiwan (Republic of China)

March 21, 2023

Notes to Readers

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

Powertip Technology Corporation and Subsidiaries
Consolidated Balance Sheet
As at December 31, 2022 and 2021

Unit: NTD thousand

Assets		2022.12.31		2021.12.31		Liabilities and equity		2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1))	\$ 773,869	34	443,005	21	2170	Notes and accounts payable	\$ 244,176	11	296,985	14
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	8,866	-	6,117	-	2200	Other payables	130,492	6	96,203	5
1170	Notes and accounts receivable - net (Note 6(4))	304,781	13	336,731	16	2230	Current income tax liabilities	25,228	1	3,362	-
1310	Inventory (Note 6(5))	414,560	18	473,481	22	2300	Other current liabilities (Note 6(15))	52,484	2	29,741	1
1476	Other financial assets - current (Notes 6(8), 7, and 8)	11,428	-	10,881	1	2322	Long-term borrowings due within 1 year or 1 business cycle (Notes 6(10) and 8)	32,900	1	38,333	2
1470	Other current assets	24,433	1	53,721	2			485,280	21	464,624	22
		<u>1,537,937</u>	<u>66</u>	<u>1,323,936</u>	<u>62</u>						
Non-current assets:						Non-current liabilities:					
1550	Equity-accounted investments (Note 6(6))	234,230	10	195,814	9	2540	Long-term borrowings (Notes 6(10) and 8)	53,629	2	86,529	4
1600	Property, plant and equipment (Notes 6(7) and 8)	557,543	24	584,866	28	2640	Net defined benefit liabilities - non-current	14,284	1	23,959	1
1780	Intangible assets	3,173	-	3,439	-	2645	Guarantee deposits received (Note 7)	2,436	-	2,280	-
1840	Deferred income tax assets (Note 6(12))	8,662	-	15,244	1	2572	Deferred income tax liabilities (Note 6(12))	1,304	-	-	-
1900	Other non-current assets (Notes 6(9) and 8)	6,059	-	8,496	-			71,653	3	112,768	5
		<u>809,667</u>	<u>34</u>	<u>807,859</u>	<u>38</u>			556,933	24	577,392	27
						Total liabilities					
Total assets		<u>\$ 2,347,604</u>	<u>100</u>	<u>2,131,795</u>	<u>100</u>	Equity (Note 6 (13)):					
						3110	Common share capital	1,621,732	69	1,621,732	76
						3200	Capital reserve	7,060	-	7,902	-
						3310	Legal reserve	4,137	-	-	-
						3320	Special reserve	6,336	-	-	-
						3350	Unappropriated earnings	254,334	11	41,372	2
						3400	Other equity item	(102,928)	(4)	(116,603)	(5)
								1,790,671	76	1,554,403	73
						Total equity					
						Major contingent liabilities and unrecognized contractual commitments (Note 9)					
						Total liabilities and equity		<u>\$ 2,347,604</u>	<u>100</u>	<u>2,131,795</u>	<u>100</u>

Chairman: Wang, Shyh-Yueh

Manager: Wang, Shyh-Yueh

Head of Accounting: Liou, Shao-Ling

Powertip Technology Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Periods January 1 to December 31, 2022 and 2021

Unit: NTD thousand

		2022		2021	
		Amount	%	Amount	%
4100	Net sales revenues (Note 6(15))	\$ 2,153,753	100	1,878,210	100
5000	Operating costs (Notes 6(5), 6(11), 7, and 12)				
		<u>1,765,828</u>	<u>82</u>	<u>1,648,026</u>	<u>88</u>
5900	Gross profit	<u>387,925</u>	<u>18</u>	<u>230,184</u>	<u>12</u>
	Operating expenses (Notes 6(11) and 12):				
6100	Selling and marketing expenses	83,960	4	69,894	4
6200	General and administrative expenses	85,196	4	73,036	4
6300	Research and development expenses	51,674	2	48,958	2
		<u>220,830</u>	<u>10</u>	<u>191,888</u>	<u>10</u>
6900	Operating profit	<u>167,095</u>	<u>8</u>	<u>38,296</u>	<u>2</u>
	Non-operating income and expenses:				
7100	Interest income	4,810	-	2,691	-
7190	Other income (Note 7)	17,628	1	15,414	1
7235	Gain on financial assets at fair value through profit or loss	238	-	284	-
7230	Gain (loss) on exchange (Note 6(17))	54,591	2	-916	-
7775	Share of gain from subsidiaries, associated companies, and joint ventures accounted using the equity method (Note 6(6))	50,154	2	37,309	2
7510	Interest expenses	(3,492)	-	(1,308)	-
7590	Sundry income	(71)	-	(133)	-
		<u>123,858</u>	<u>5</u>	<u>53,341</u>	<u>3</u>
7900	Profit before tax	290,953	13	91,637	5
7950	Less: income tax expense (Note 6(12))	41,919	2	10,743	1
	Current net income	<u>249,034</u>	<u>11</u>	<u>80,894</u>	<u>4</u>
8300	Other comprehensive income:				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	6,518	-	1,018	-
8349	Income tax on items not reclassified into profit or loss (Note 6(12))	1,304	-	-	-
		<u>5,214</u>	<u>-</u>	<u>1,018</u>	<u>-</u>
8360	Items likely to be reclassified into profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	16,207	1	(7,127)	-
8370	Share of other comprehensive income from equity-accounted associated companies and joint ventures - likely to be reclassified into profit or loss	709	-	(634)	-
8399	Income tax expense (income) related to items likely to be reclassified into profit or loss (Note 6(12))	3,241	-	(1,425)	-
	Sum of items likely to be reclassified into profit or loss	<u>13,675</u>	<u>1</u>	<u>(6,336)</u>	<u>-</u>
8300	Other comprehensive income - current	18,889	1	(5,318)	-
	Total comprehensive income - current	<u>\$ 267,923</u>	<u>12</u>	<u>75,576</u>	<u>4</u>
9750	Basic earnings per share (NTD) (Note 6(14))	<u>\$ 1.54</u>		<u>0.50</u>	
9850	Diluted earnings per share (NTD)	<u>\$ 1.52</u>		<u>0.50</u>	

Chairman: Wang, Shyh-Yueh

Manager: Wang, Shyh-Yueh

Head of Accounting: Liou, Shao-Ling

Powertip Technology Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
For the Periods January 1 to December 31, 2022 and 2021

Unit: NTD thousand

	Common share capital	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Other equity items		Total	Total equity
						Exchange differences on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		
Balance as at January 1, 2021	\$ 1,621,732	7,902	-	-	(40,540)	(70,777)	(39,490)	(110,267)	1,478,827
Current net income	-	-	-	-	80,894	-	-	-	80,894
Other comprehensive income (loss) - current	-	-	-	-	1,018	(6,336)	-	(6,336)	(5,318)
Total comprehensive income (loss) - current	-	-	-	-	81,912	(6,336)	-	(6,336)	75,576
Balance as at December 31, 2021	1,621,732	7,902	-	-	41,372	(77,113)	(39,490)	(116,603)	1,554,403
Current net income	-	-	-	-	249,034	-	-	-	249,034
Other comprehensive income (loss) - current	-	-	-	-	5,214	13,675	-	13,675	18,889
Total comprehensive income (loss) - current	-	-	-	-	254,248	13,675	-	13,675	267,923
Earnings provision and distribution:									
Legal reserve	-	-	4,137	-	(4,137)	-	-	-	-
Special reserve	-	-	-	6,336	(6,336)	-	-	-	-
Cash dividends on common stock	-	-	-	-	(30,813)	-	-	-	(30,813)
	-	-	4,137	6,336	(41,286)	-	-	-	(30,813)
Changes in associated companies accounted for using the equity method	-	(842)	-	-	-	-	-	-	(842)
Balance as at December 31, 2022	\$ 1,621,732	7,060	4,137	6,336	254,334	(63,438)	(39,490)	(102,928)	1,790,671

Chairman: Wang, Shyh-Yueh

Manager: Wang, Shyh-Yueh

Head of Accounting: Liou, Shao-Ling

Powertip Technology Corporation and Subsidiaries
Consolidated Cash Flow Statement
For the Periods January 1 to December 31, 2022 and 2021

Unit: NTD thousand

	2022	2021
Cash flow from operating activities:		
Current profit before tax	\$ 290,953	91,637
Adjustments:		
Income, expenses and losses:		
Depreciation expenses	45,814	50,638
Amortization expenses	1,205	788
Interest expenses	3,492	1,308
Interest income	(4,810)	(2,691)
Share of gain from associated companies and joint ventures accounted using the equity method	(50,154)	(37,309)
Others	217	228
Total income, expenses and losses	(4,236)	12,962
Change in assets and liabilities related to operating activities:		
Net change in assets related to operating activities:		
Decrease (increase) in financial assets mandatory to be carried at fair value through profit or loss	(2,749)	20,295
Decrease (increase) in notes and accounts receivable	31,950	(124,742)
Decrease (increase) in inventory	58,400	(215,984)
Increase in other financial assets	(604)	(751)
Decrease (increase) in other current assets	29,288	(23,631)
Total net change in assets related to operating activities	116,285	(344,813)
Net change in liabilities related to operating activities:		
Increase (decrease) in notes and accounts payable	(52,809)	127,862
Increase in other payables and other current liabilities	56,469	12,304
Decrease in net defined benefit liabilities	(3,157)	(2,848)
Total net change in liabilities related to operating activities	503	137,318
Total net change in assets and liabilities related to operating activities	116,788	(207,495)
Total adjustments	112,552	(194,533)
Cash (outflow) inflow from operating activities	403,505	(102,896)
Interest received	4,867	2,665
Interest paid	(3,773)	(1,346)
Income tax paid	(16,725)	(2,263)
Net cash inflow (outflow) from operating activities	387,874	(103,840)
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(14,293)	(9,546)
Acquisition of intangible assets	(1,020)	(2,868)
Disposal of financial assets at fair value through other comprehensive income	-	1,023
Increase in prepayments for business facilities	183	174
Dividends received	11,605	10,648
Other investing activities	1,814	(1,724)
Net cash outflow from investing activities	(1,711)	(2,293)
Cash flow from financing activities:		
Borrowing of long-term loan	-	25,129
Repayment of long-term borrowings	(38,333)	(30,000)
Increase (decrease) in guarantee deposits received	156	(120)
Repayment of lease liabilities	(379)	(747)
Payout of cash dividends	(30,813)	-
Net cash outflow from financing activities	(69,369)	(5,738)
Effects of exchange rate change	14,070	(6,052)
Increase (decrease) in cash and cash equivalents in the current period	330,864	(117,923)
Opening cash and cash equivalents balance	443,005	560,928
Closing cash and cash equivalents balance	\$ 773,869	443,005

Chairman: Wang, Shyh-Yueh

Manager: Wang, Shyh-Yueh

Head of Accounting: Liou, Shao-Ling

Independent Auditor's Report

To the board of directors of Powertip Technology Corporation:

Audit opinions

We have audited the balance sheet of Powertip Technology Corporation as at December 31, 2022 and 2021, and the statement of comprehensive income, statement of changes in equity, cash flow statement, and the accompanying footnotes (including summary of key accounting policies) for the periods January 1 to December 31, 2022 and 2021.

In our opinion, all material disclosures of the parent company only financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the version of International Financial Reporting Standards, and presented a fair view of the financial position of Powertip Technology Corporation as at December 31, 2022 and 2021, and business performance and cash flow for the periods January 1 to December 31, 2022 and 2021.

Basis of audit opinion

We have conducted our audits on the financial statements in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities as an auditor for the parent company only financial statements under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from Powertip Technology Corporation when performing their duties. We believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2022 parent company only financial statements of Powertip Technology Corporation. These issues have already been addressed when we audited and formed our opinions on the parent company only financial statements. Therefore we do not provide opinions separately for individual issues. Below are the key audit issues that we consider relevant for disclosure in this audit report:

I. Revenue recognition

Please refer to Note 4 (14) "Revenue recognition" in the parent company only financial statements for the accounting policy on revenue recognition; please refer to Note 6 (14) "Revenue from contracts with customers" for additional information on revenue.

Explanation of key audit issues:

Powertip Technology Corporation mainly engages in the manufacturing and sales of various LCD modules. Operating revenue is one of the important items in the parent company only financial statements, and the amount and changes in the operating revenue may affect the financial statement users' understanding of such statements. For this reason, revenue recognition testing was identified as one of our key audit matters when we audited the parent company only financial statements of Powertip Technology Corporation.

Audit procedures:

Our main audit procedures for the above key audit matter included testing the control over the sales and collection cycle, checking and adjusting the sales system data and the general ledger, sampling and testing the details of the relevant supporting documents, and assessing if the timings of Powertip Technology Corporation's recognition of operating revenue and the recognized amounts were handled in accordance with the relevant standards.

Responsibilities of the management and governance body to the parent company only financial statements

Responsibilities of the management were to prepare and ensure fair presentation of parent company only financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal control practices that are relevant to the preparation of consolidated financial statements so that the parent company only financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing parent company only financial statements also involved: assessing the ability of Powertip Technology Corporation to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate Powertip Technology Corporation or cease business operations, or is compelled to do so with no alternative solution.

The governance body of Powertip Technology Corporation (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing parent company only financial statements

The purposes of our audit were to obtain reasonable assurance of whether the parent company only financial statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with the auditing principles do not necessarily guarantee detection of all material misstatements within the parent company only financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the parent company only financial statement user.

When conducting audits in accordance with the auditing principles, we exercised judgments and skepticism as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of Powertip Technology Corporation.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of Powertip Technology Corporation to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of parent company only financial statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or change of circumstances may still render Powertip Technology Corporation no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the parent company only financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the parent company only financial statements.
6. Obtaining sufficient and appropriate audit evidence on the financial information of equity-accounted investments, and expressing opinions on the parent company only financial statements. Our responsibilities as auditor are to instruct, supervise, and execute audits and form audit opinions on Powertip Technology Corporation.

We have communicated with the governance body about the scope, timing, and significant findings (including significant defects identified in internal control) of our audit.

We have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics of the Republic of China, and communicated with the governance body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governance body regarding the 2022 parent company only financial statements of Powertip Technology Corporation. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decide not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

The engagement partners on the audit resulting in this independent auditor's report are Wang, Yi-Wen and Kuo, Guan-Ying.

KPMG

Taipei, Taiwan (Republic of China)

March 21, 2023

Notes to Readers

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

Powertip Technology Corporation
Balance Sheet
As at December 31, 2022 and 2021

Unit: NTD thousand

Assets	2022.12.31		2021.12.31			Liabilities and equity	2022.12.31		2021.12.31	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (Note 6(1))	\$ 484,843	21	317,880	16	2170	Notes and accounts payable	\$ 98,757	4	137,870	7
1170 Notes and accounts receivable - net (Note 6(3))	209,269	9	269,135	13	2180	Accounts payable - related parties (Note 7)	189,000	8	128,467	6
1180 Accounts receivable - related parties, net (Notes 6(3) and 7)	38,390	2	1,248	-	2200	Other payables (including related parties)	79,629	4	48,730	3
1310 Inventory (Note 6(5))	87,374	4	53,279	3	2230	Current income tax liabilities	19,489	1	3,229	-
1476 Other financial assets - current (Notes 6(4), 7, and 8)	10,806	-	7,582	-	2300	Other current liabilities	48,999	2	25,575	1
1470 Other current assets	11,760	-	19,982	1	2322	Long-term borrowings due within 1 year or 1 business cycle (Notes 6(9) and 8)	32,900	1	38,333	2
	<u>842,442</u>	<u>36</u>	<u>669,106</u>	<u>33</u>			<u>468,774</u>	<u>20</u>	<u>382,204</u>	<u>19</u>
Non-current assets:						Non-current liabilities:				
1550 Equity-accounted investments (Note 6(6))	1,006,610	43	870,529	42	2540	Long-term borrowings (Notes 6(9) and 8)	53,629	2	86,529	4
1600 Property, plant and equipment (Notes (7) and 8)	467,216	20	485,999	24	2640	Net defined benefit liabilities - non-current (Note 6(10))	14,284	1	23,959	1
1780 Intangible assets	3,173	-	3,439	-	2570	Deferred income tax liabilities and others (Notes 6(11) and 7)	1,441	-	138	-
1840 Deferred income tax assets (Note 6(11))	8,662	1	15,244	1			<u>69,354</u>	<u>3</u>	<u>110,626</u>	<u>5</u>
1900 Other non-current assets (Notes 6(8) and 8)	696	-	2,916	-		Total liabilities	<u>538,128</u>	<u>23</u>	<u>492,830</u>	<u>24</u>
	<u>1,486,357</u>	<u>64</u>	<u>1,378,127</u>	<u>67</u>		Equity: (Note 6(12))				
					3110	Common share capital	1,621,732	70	1,621,732	79
					3200	Capital reserve	7,060	-	7,902	-
					3310	Legal reserve	4,137	-	-	-
					3320	Special reserve	6,336	-	-	-
					3350	Retained earnings	254,334	11	41,372	3
					3400	Other equity item	(102,928)	(4)	(116,603)	(6)
						Total equity	<u>1,790,671</u>	<u>77</u>	<u>1,554,403</u>	<u>76</u>
						Major contingent liabilities and unrecognized contractual commitments (Note 9)				
Total assets	<u>\$ 2,328,799</u>	<u>100</u>	<u>2,047,233</u>	<u>100</u>		Total liabilities and equity	<u>\$ 2,328,799</u>	<u>100</u>	<u>2,047,233</u>	<u>100</u>

Chairman: Wang, Shyh-Yueh

Manager: Wang, Shyh-Yueh

Head of Accounting: Liou, Shao-Ling

Powertip Technology Corporation
Statement of Comprehensive Income
For the Periods January 1 to December 31, 2022 and 2021

Unit: NTD thousand

		<u>2022</u>		<u>2021</u>	
		Amount	%	Amount	%
4100	Net sales revenues (Notes 6(14) and 7)	\$ 2,055,551	100	1,767,842	100
5000	Operating costs (Notes 6(5), 6(10), 7, and 10)	1,800,885	88	1,494,687	84
5900	Gross profit	254,666	12	273,155	16
5920	Plus: realized (unrealized) gain or loss on sale	(2,370)	-	743	-
5900	Gross profit	252,296	12	273,898	16
Operating expenses (Notes 6(10) and 12):					
6100	Selling and marketing expenses	46,731	2	49,409	3
6200	General and administrative expenses	62,820	3	51,592	3
6300	Research and development expenses	43,189	2	39,496	2
		152,740	7	140,497	8
6900	Operating profit	99,556	5	133,401	8
Non-operating income and expenses:					
7100	Interest income	2,829	-	250	-
7375	Share of gain from subsidiaries, associated companies, and joint ventures accounted using the equity method (Note 6(6))	132,393	7	(51,828)	(3)
7190	Other income (Note 7)	9,416	-	6,954	-
7230	Gain (loss) on exchange (Note 6(16))	26,010	1	4,225	-
7510	Interest expense (Note 7)	(1,355)	-	(1,308)	-
		169,293	8	(41,707)	(3)
7900	Profit before tax	268,849	13	91,694	5
7950	Less: income tax expense (benefit) (Note 6(11))	19,815	1	10,800	1
Current net income		249,034	12	80,894	4
8300	Other comprehensive income:				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	6,518	-	1,018	-
8349	Less: Income tax on items not reclassified into profit or loss	1,304	-	-	-
		5,214	-	1,018	-
8360	Items likely to be reclassified into profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	16,207	1	(7,127)	-
8380	Share of other comprehensive income from equity-accounted subsidiaries, associated companies and joint ventures - likely to be reclassified into profit or loss	709	-	(634)	-
8399	Less: income tax on items likely to be reclassified into profit or loss (Note 6(11))	3,241	-	(1,425)	-
Sum of items likely to be reclassified into profit or loss		13,675	1	(6,336)	-
8300	Other current comprehensive income (loss) (net, after-tax)	18,889	1	(5,318)	-
8500	Total comprehensive income - current	\$ 267,923	13	75,576	4
Earnings per share (NTD) (Note 6(13))					
9750	Basic earnings per share (NTD)	\$ 1.54		0.50	
9850	Diluted earnings per share (NTD)	\$ 1.52		0.50	

Chairman: Wang, Shyh-Yueh

Manager: Wang, Shyh-Yueh

Head of Accounting: Liou, Shao-Ling

Powertip Technology Corporation
Statement of Changes in Equity
For the Periods January 1 to December 31, 2022 and 2021

Unit: NTD thousand

	Common share capital	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Other equity items		Total	Total equity
						Exchange differences on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		
Balance as at January 1, 2021	\$ 1,621,732	7,902	-	-	(40,540)	(70,777)	(39,490)	(110,267)	1,478,827
Current net income	-	-	-	-	80,894	-	-	-	80,894
Other comprehensive income (loss) - current	-	-	-	-	1,018	(6,336)	-	(6,336)	(5,318)
Total comprehensive income (loss) - current	-	-	-	-	81,912	(6,336)	-	(6,336)	75,576
Balance as at December 31, 2021	1,621,732	7,902	-	-	41,372	(77,113)	(39,490)	(116,603)	1,554,403
Current net income	-	-	-	-	249,034	-	-	-	249,034
Other comprehensive income - current	-	-	-	-	5,214	13,675	-	13,675	18,889
Total comprehensive income (loss) - current	-	-	-	-	254,248	13,675	-	13,675	267,923
Earnings provision and distribution:									
Legal reserve	-	-	4,137	-	(4,137)	-	-	-	-
Special reserve	-	-	-	6,336	(6,336)	-	-	-	-
Cash dividends on common stock	-	-	-	-	(30,813)	-	-	-	(30,813)
			4,137	6,336	(41,286)				(30,813)
Changes in associated companies accounted for using the equity method	-	(842)	-	-	-	-	-	-	(842)
Balance as at December 31, 2022	\$ 1,621,732	7,060	4,137	6,336	254,334	(63,438)	(39,490)	(102,928)	1,790,671

Chairman: Wang, Shyh-Yueh

Manager: Wang, Shyh-Yueh

Head of Accounting: Liou, Shao-Ling

Powertip Technology Corporation
Cash Flow Statement
For the Periods January 1 to December 31, 2022 and 2021

Unit: NTD thousands

	<u>2022</u>	<u>2021</u>
Cash flow from operating activities:		
Current profit before tax	\$ 268,849	91,694
Adjustments:		
Income, expenses and losses:		
Depreciation expenses	23,181	22,016
Amortization expenses	1,205	788
Interest expenses	1,355	1,308
Interest income	(2,829)	(250)
Share of losses (profits) on equity-accounted subsidiaries, associated companies, and joint ventures	(132,393)	51,828
Others	2,250	(849)
Total income, expenses and losses	<u>(107,231)</u>	<u>74,841</u>
Net change in assets related to operating activities:		
Decrease (increase) in notes and accounts receivable	59,866	(101,921)
Decrease (increase) in accounts receivable - related parties	(37,142)	1,989
Increase in inventories	(34,095)	(19,683)
Increase in other financial assets	(3,222)	(698)
Decrease (increase) in other current assets	8,222	(5,777)
Total net change in assets related to operating activities	<u>(6,371)</u>	<u>(126,090)</u>
Net change in liabilities related to operating activities:		
Increase (decrease) in notes and accounts payable	21,420	(31,676)
Increase in other payables and other current liabilities	53,864	11,547
Decrease in net defined benefit liabilities	(3,158)	(2,848)
Total net change in liabilities related to operating activities	<u>72,126</u>	<u>(22,977)</u>
Total net change in assets and liabilities related to operating activities	<u>65,755</u>	<u>(149,067)</u>
Total adjustments	<u>(41,476)</u>	<u>(74,226)</u>
Cash inflow from operating activities	227,373	17,468
Interest received	2,827	242
Interest paid	(1,480)	(1,492)
Income tax refunded (paid)	(215)	193
Net cash inflow from operating activities	<u>228,505</u>	<u>16,411</u>
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(3,065)	(1,967)
Disposal of financial assets at fair value through other comprehensive income	-	1,023
Dividends received	10,217	7,265
Other investing activities	831	(4,036)
Net cash inflow from investing activities	<u>7,983</u>	<u>2,285</u>
Cash flow from financing activities:		
Borrowing of long-term loan	-	25,129
Repayment of long-term borrowings	(38,333)	(30,000)
Increase in guarantee deposits received	-	(76)
Repayment of lease liabilities	(379)	(747)
Payout of cash dividends	(30,813)	-
Net cash outflow from financing activities	<u>(69,525)</u>	<u>(5,694)</u>
Increase in cash and cash equivalents for the current period	166,963	13,002
Opening cash and cash equivalents balance	317,880	304,878
Closing cash and cash equivalents balance	<u>\$ 484,843</u>	<u>317,880</u>

Chairman: Wang ,Shyh-Yueh

Manager: Wang ,Shyh-Yueh

Head of Accounting: Liu, Shao-Ling

Powertip Technology Corporation Articles of Incorporation

Chapter 1 General Provisions

- Article 1: The Company is organized in accordance with the provisions of the Company Act and shall be named Powertip Technology Corporation.
- Article 2: The business scope of the Company is as follows:
- I. CC01050 Data Storage Media Units Manufacturing.
 - II. CC01080 Electronics Components Manufacturing.
 - III. CE01010 General Instrument Manufacturing.
 - IV. CE01030 Optical Instruments Manufacturing.
 - V. CQ01010 Mold and Die Manufacturing.
 - VI. F401010 International trade.
 - VII. F401030 Manufacture Export.
 - VIII. I501010 Product Designing.
 - IX. F601010 Intellectual Property Rights.
 - X. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The total amount of the Company's external investment may exceed 40% of the Company's paid-in capital.
- Article 2-2: The Company may make external guarantees for its business needs.
- Article 3: The Head Office shall be located in Taichung City, and if necessary, the Board of Directors may, by resolution of the Board of Directors, establish domestic and foreign branches and manufacturing plants where permitted by law.
- Article 4: The method of announcement of the Company shall be carried out in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 5: The registered capital of the Company shall be set at NT\$2,400,000,000 divided into 240,000,000 shares of NT\$10 each, which the Board of Directors is authorized to issue in installments. Among the total capital in the preceding paragraph, NT\$135,000,000 is divided into 13,500,000 shares of NT\$10 each, which are reserved for issuance of employee stock options, and the Board of Directors is authorized to issue in installments. In the event that the Company's shares may be repurchased by the Company, the Board of Directors is authorized to do so in accordance with the law.
- Article 5-1: The employees who take up the shares in the issuance of new shares, the recipients of the transfer of treasury shares acquired in accordance with the Company Act, the recipients of the issuance of employee stock options and the recipients of the issuance of new shares with restricted employee rights include employees of controlled or subordinate companies who meet certain conditions, and the certain conditions shall be determined by the Board of Directors.
- Article 6: The Company issues registered shares with each share certificate affixed with the signatures or seals of at least three Directors subject to certification. The Company may also be exempted from preparing physical share certificate or bundle the offering in several tranches for printing share certificates subject to the registration and custody at Taiwan Depository and Clearing Corporation.
- Article 7: The transfer of the name of a share certificate shall cease not later than 60 days prior to the date of the annual general meeting of shareholders, not later than 30 days prior to the date of the extraordinary meeting of shareholders, or not later than 5 days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.
- Article 8: The registered shares of the Company shall be transferred by the holder of the shares by endorsement, and the name of the transferee shall be recorded on the certificate, and the transfer of shares shall not be made against the Company unless the name and residence or domicile of the transferee are recorded in the Company's shareholders' register.
- Article 9: The shareholders of the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" for the transfer of stock, pledge of rights, loss, inheritance, gift, loss of seal, change of address, etc., unless otherwise provided by laws and regulations or securities regulations.

Chapter 3 Shareholders' Meeting

- Article 10: There shall be two types of shareholders' meetings: regular meetings and extraordinary meetings. Regular meetings shall be convened at least once a year and shall be held within six months after the end of each fiscal year, and shall be convened by the Board of Directors with 30 days' notice to the shareholders. Extraordinary meeting will be convened by notifying the shareholders 15 days in advance.
- Article 11: If a shareholder is unable to attend a shareholders' meeting for any reason, he or she may appoint a proxy to attend the meeting in accordance with Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".
- Article 12: The Chairman of the Board of Directors shall be the Chairman of the shareholders' meeting. In the absence of the Chairman of the Board of Directors, the Chairman shall designate a Director to act as proxy. In the absence of such designation, the Directors shall elect from among one of them.
- Article 13: Each shareholder of the Company shall have one vote per share, except under the circumstances provided for in the Company Act.
- Article 14: Except as otherwise provided in the Company Act, any resolution of the shareholders' meeting shall be made with the presence of shareholders representing more than half of the total number of outstanding shares and shall be carried out by the consent of a majority of the shareholders present. If there is no objection from the shareholders present, the vote shall be deemed to be approved by the Chairman and shall be as valid as a poll.
In accordance with the regulations of the competent authorities, the shareholders of the Company may also exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are deemed to be present in person, and all related matters are handled in accordance with the provisions of the relevant laws.
- Article 15: The minutes of the shareholders' meeting shall be made and signed or affixed with the seal of the Chairman and shall be carried out in accordance with the provisions of Article 183 of the Company Act. The meeting minutes shall record the year, month, day, place, name of the Chairman, method of resolution, the key points of the proceedings and the results thereof, and shall be retained permanently during the continuance of the Company.

Chapter 4 Board of Directors and Audit Committee

- Article 16: The Company shall appoint 5 to 9 Directors. A candidate nomination system has been adopted for board elections. Directors shall be elected by the shareholders' meeting from among persons with disposing capacity, for a term of three years, and shall be eligible for re-election. Liability insurance may be purchased for the Company's Directors by resolution of the Board of Directors after their election. The total shareholding ratio of all Directors shall be in accordance with the regulations of the competent securities authorities.
- Article 16-1: Among the above-mentioned number of Directors, the number of independent Directors shall not be less than three and shall not be less than one-fifth of the total number of Directors. The professional qualifications, shareholdings, restrictions on concurrent positions, nomination and election of independent Directors and other matters to be complied with shall be conducted in accordance with the relevant regulations of the competent securities authorities.
- Article 16-2: The Company shall have more than half of the seats among the Directors and shall not have one of the following relationships:
I. Spouses.
II. Relatives within the second degree of consanguinity.
- Article 16-3: In accordance with Article 14-4 of the Securities and Exchange Act, the Company shall have an Audit Committee composed of independent directors.
The members of the Audit Committee, the exercise of powers and duties, and other matters to be followed shall be in accordance with the provisions of relevant laws and regulations or the Company's Articles of Incorporation, and its organizational procedures shall be separately determined by the Board of Directors.
- Article 17: When the vacancy of Directors reaches one-third of total or all independent Directors are dismissed, the Board of Directors shall convene an interim meeting of shareholders within 60 days to hold a by-election.
- Article 18: If a Director's term of office expires before he/she is re-elected, he/she shall extend his/her term of office until the re-elected Director assumes office.
- Article 19: The Directors shall organize Board of Directors' Meetings, and a Chairman shall be elected by and from among the Directors with the presence of at least two-thirds of the Directors and the consent of a majority of the Directors present, to execute all affairs of the Company in accordance with the Company Act, the Articles of Incorporation, the shareholders' meeting and the resolutions of the Board of Directors.
- Article 20: The Company's business strategies and other important matters shall be decided by the Board of Directors. The Board of Directors shall be convened by the Chairman of the Board of Directors, who shall be the Chairman of the Board of Directors, except for the first meeting of the Board of Directors of each term, which shall be convened in accordance with Article 203 of the Company Act. If the Chairman of the

Board of Directors is unable to perform his or her duties, the Chairman of the Board of Directors shall designate one of the Directors to act as his or her proxy. If a director is unable to attend a meeting of the Board of Directors for any reason, he/she may appoint another director to attend the meeting as his/her proxy by issuing a power of attorney and listing the scope of authorization for convening the meeting.

Article 21: The minutes of the Board of Directors' meetings shall be prepared, signed or affixed with the seal of the Chairman, and distributed to the Directors within 20 days after the meeting. The minutes shall record the main points of the proceedings and the results thereof, and shall be permanently retained by the Company together with the signature books of the Directors present and the proxy forms.

Article 22: The Board shall specify the cause of convention and give notice to all Directors 7 days in advance. However, the Company may convene a meeting of the Board of Directors at any time in case of emergency. A meeting of the Board of Directors may be convened in writing, by e-mail or by facsimile.

Chapter 5 Managers and Staff

Article 23: The Company may have a number of officers in accordance with the provisions of the Company Act, whose appointment, dismissal and compensation shall be carried out in accordance with Article 29 of the Company Act.

Chapter 6 Final Accounts

Article 24: The accounting year of the Company shall commence on January 1 and end on December 31 of each year, and the final accounts shall be prepared after the end of the year.

Article 25: At the end of each fiscal year, the Board of Directors shall prepare the following financial statements and submit them to the shareholders' meeting for recognition and ratification in accordance with the law:

- I. Business Report.
- II. Financial statements.
- III. Motion to distribute earnings or make up losses.

Article 26: The Company shall allocate 5% of net earnings to the employees' remuneration and not more than 1% to Directors' remuneration if the Company makes a profit in the year. However, if the Company has accumulated losses, it shall reserve in advance the amount to make up the losses beforehand. The above-mentioned employee compensation is issued to stock or cash, including employees of controlled or subordinate companies who meet certain conditions, and the certain conditions shall be determined by the Board of Directors .

Article 26-1: The Company's earnings, if any, from the annual final accounts shall be distributed in the following order:

- I. Payment of taxes due.
- II. To make up for losses.
- III. Allocate 10% as a statutory reserve, except when the statutory reserve has reached the Company's paid-in capital.
- IV. A special reserve shall be set aside under the current surplus earnings in accordance with relevant laws and regulations, and shall be included in the earnings distribution after the reversal.
- V. The remaining balance after the amounts listed from I to IV, together with the accumulated undistributed earnings of the previous year, shall be regarded as distributable earnings.

The dividends are distributed in whole or in part to shareholders in proportion to their shareholdings. The actual distribution ratio shall be resolved by the shareholders' meeting in accordance with Article 240 of the Company Act, and the distribution of cash dividends shall be authorized by the Board of Directors with the presence of at least two-thirds of the Directors and the resolution of a majority of the Directors present to distribute all or part of the dividends and bonuses in the form of cash and to report to the shareholders' meeting.

Article 26-2: When a director performs the business of the company, the company shall pay salaries and allowances regardless of the operating profit or loss. The remuneration of all directors shall be determined by the Board of Directors with reference to the extent of a Director's participation in the Company's operations and the value of their contributions, and with reference to the standards of the industry.

Article 27: The Company's business and its industry are still in the growth stage, and there are still significant investment and business expansion plans in the future, and there is a strong demand for capital. In order to maintain the stability of dividends, the board of directors may formulate a dividend distribution proposal with consideration of more than 70% of the distributable earnings, taking into account the company's performance development and capital status, and the distribution of cash dividends shall not be less than 20% of the proposed dividends. However, if the required funds can be raised in other ways or the Company has sufficient funds, it may also consider increasing cash dividends or distributing all cash dividends to avoid excessive dilution of earnings per share.

Chapter 7 Bylaws

Article 28 The Company's Articles of Incorporation and Bylaws shall be separately determined by the Board of Directors.

Article 29 : All matters not provided for in these Articles of Incorporation shall be governed by the Company Act and other laws and regulations.

Article 30: These Bylaws were established on June 1, 1991.
Amended for the 1st time on February 15, 1995.
Amended for the 2nd time on March 15, 1996.
Amended for the 3th time on December 7, 1997
Amended for the 4th time on June 23, 1998
Amended for the 5th time on April 30, 1999
Amended for the 6th time on May 31, 2000
Amended for the 7th time on June 8, 2001
Amended for the 8th time on August 20, 2001
Amended for the 9th time on June 10, 2002
Amended for the 10th time on May 10, 2004
Amended for the 11th time on November 2, 2004
Amended for the 12th time on June 14, 2006
Amended for the 13th time on June 13, 2008
Amended for the 14th time on June 16, 2009
Amended for the 15th time on June 15, 2010
Amended for the 16th time on June 12, 2012
Amended for the 17th time on June 11, 2014
Amended for the 18th time on June 21, 2016
Amended for the 19th time on June 21, 2017
Amended for the 20th time on July 15, 2021
Amended for the 21st time on June 8, 2022

Powertip Technology Corporation

Rules of Procedure for Shareholders' Meetings

- Article 1 The shareholders' meeting of the Company shall be conducted in accordance with these Rules.
- Article 2 Shareholders (or their proxies) attending the meeting shall wear the attendance card and pay the attendance card in lieu of signing in.
- Article 3 Attendance and voting at shareholders' meetings shall be calculated based on shares, and the number of shares present shall be calculated based on the attendance card handed in.
- Article 4 The shareholders' meeting shall be held in the county or city where the head office is located or in a place convenient for the shareholders' meeting. The meeting shall start no earlier than 9:00 a.m. or later than 3:00 p.m.
- Article 5 The Chairman of the shareholders' meeting shall be the chairman of the Board of Directors unless otherwise provided in the Company Act. If the Chairman of the Board of Directors is absent or is unable to exercise his or her duties for any reason, the Vice Chairman of the Board of Directors shall act as the chairman of the board of directors; if there is no Vice Chairman of the Board of Directors or if the Vice Chairman is also absent or unable to exercise his or her duties for any reason, the Chairman of the Board of Directors shall appoint a Director to act as the Chairman of the Board of Directors. If the Chairman of the Board of Directors does not appoint a proxy, the Directors shall appoint a proxy from among themselves.
- Article 6 The Company may designate an attorney, accountant or related personnel to attend the shareholders' meeting, and the staff of a shareholders' meeting shall wear an identification badge or armband.
- Article 7 The Company shall record or videotape the entire duration of a shareholders' meeting and retain the records for at least one year.
- Article 8 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders (or proxies) do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders (or proxies) represent one third or more of the total number of issued shares, a tentative resolution may be adopted.
When, prior to conclusion of the meeting, the attending shareholders (or proxies) represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting.
- Article 9 The agenda of the shareholders' meeting shall be set by the Board of Directors, and the meeting shall be conducted in accordance with the scheduled agenda, which may not be changed without the resolution of the shareholders' meeting. The Chairman may not adjourn the meeting without a resolution before the conclusion of the proceedings (including extempore motions). After the meeting is adjourned, the shareholders shall not elect another Chairman for the meeting to be held at the same place or another venue.
- Article 10 In addition to the motions listed on the agenda, the shareholders (or proxies) should second any amendments to the original motion, substitute motions or other motions proposed by way of extempore motions, as well as any changes to the agenda and motions to adjourn the meeting. The shareholders represented by the proposer and the seconder shall reach one percent of the total number of issued shares.
- Article 11 Before a shareholder (or proxy) speaks at a shareholders' meeting, he/she shall fill out a speaker's slip stating the key points of his/her speech, the shareholder's account number (or attendance card number) and his/her account name, and the Chairman shall determine the order of his/her speech. A shareholder (or proxies) in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
Except with the consent of the chair, a shareholder (or proxies) may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's (or proxies) speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

- Article 12 Except with the consent of the chair, a shareholder (or proxies) may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech
- Article 13 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 14 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 15 When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.
- Article 16 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, and obtain the consent of the attending shareholders (or proxies) (provided that all monitoring personnel shall be shareholders of the Company). Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- Article 17 When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 18 Except as otherwise provided in the Taiwan Company Act and in the Company's Memorandum and Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders (or proxies). A resolution is deemed to have been resolved if there is no dissenting opinion after consultation by the chair, and is as valid as a vote.
- Article 19 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 20 The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- Article 21 Matters not provided for in these rules shall be governed by the Company Act and the Company's Articles of Incorporation.
- Article 22 These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders Meetings.

Powertip Technology Corporation

The “Regulations Governing Election of Directors”

- Article 1 The election of the directors of the company shall be conducted pursuant to the “Regulations Governing Election of Directors.”
- Article 2 Directors shall be elected by the shareholders' meeting from among persons with disposing capacity. Those receiving ballots representing the highest numbers of voting rights shall be elected sequentially according to their respective numbers of votes.
- Article 2-1 A candidate nomination system has been adopted for board elections pursuant to relevant procedures and provisions set forth in the Company Act and applicable laws. Pursuant to the provisions set forth in Article 198 of the Company Act, independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. Those receiving ballots representing the highest numbers of voting rights shall be elected sequentially as independent and non-independent directors.
- Article 2-2 At least 50% of the elected directors shall have none of the following relationships:
1. Spousal relationship.
 2. Relationship within the second degree of kinship
- Article 2-3 Where elected directors fail to meet the criteria set out in Article 2-2 herein, the election results shall be adjusted as follows.
The election of directors who fail to meet these criteria and have received ballots representing relatively lower numbers of voting rights shall be deemed invalid.
- Article 3 The number of directors shall be as specified in the Company's Articles of Incorporation.
- Article 4 Directors shall be elected for a term of three years and may serve consecutive terms. Elections shall be held every three years. Upon election of new board directors, their predecessors' term of office shall be deemed expired and they shall step down.
- Article 5 A registered, cumulative ballot method has been adopted for board elections. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 6 Each share shall have voting rights in number equal to the directors to be elected in accordance with specified rights, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The number of directors shall be elected sequentially based on received ballots representing the highest numbers of voting rights. When two or more candidates receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 8 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

- Article 9 Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.
- Article 10 The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 11 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.
6. Two or more candidates are listed on the same ballot.
- Article 12 The voting rights shall be calculated on-site immediately after the end of the poll; and the results of the calculation shall be announced by the chair on the site.
- Article 13 Elected directors shall be notified separately by the Company.
- Article 14 Matters not specifically covered herein shall be handled in accordance with applicable provisions set forth in the Company Act and relevant laws and regulations.
- Article 15 These Regulations and any amendments hereto shall be put into effect upon approval by a Shareholders' Meeting.
Amended on July 15, 2021

Powertip Technology Corporation

Directors' shareholdings

- I. The paid-in capital of the Company is NT\$1,621,732,210 and the number of issued shares is 162,173,221.
- II. In accordance with Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by all Directors are 12,162,991 shares.
- III. The shareholdings of individual shareholders and all directors as of the date of the shareholders' meeting are listed in the table below, and are in compliance with Article 26 of the Securities and Exchange Act.
- IV. The Company has established an Audit Committee, so there is no statutory required shareholding of supervisors.

Book closure date: April 22, 2023

Title	Account Name	Number of shares held	Remark
Director	Wang, Shyh-Yueh	2,409,043	
Director	Bright LED Electronics Corp. Representative: Liao, Tsung-Jen	19,020,148	
Director	Chen, Shu-Kuei	698,060	
Director	Wanxu Investment Co.,Ltd. Representative: Liao Hsin-Pei	1,772,494	
Director	Su, He-Yang	5,970,000	
Independent Director	Tsai, Wen-Chieh	0	
Independent Director	Tuan, Chia-Jui	0	
Independent Director	Feng, Chu-Chien	0	
Total shares held by all Directors		29,869,745	