

Stock code: 9927

THYE MING INDUSTRIAL CO., LTD.

2023 Annual Shareholders' Meeting Handbook

Date : June 9, 2023

Location : No. 6, Juguang 3rd St, Daliao Dist., Kaohsiung City, Taiwan

Table of Content

	Page
I .Meeting Procedure.....	1
II .Meeting Agenda.....	2
1. Report Items.....	3
2. Proposals for Acceptance and Approval.....	5
3. Election Matters.....	6
4. Other Proposal.....	7
5. Extemporany Motions.....	8
III . Annex	
1. Business Report.....	9
2. Inspection Report of Audit Committee.....	11
3. Independent Auditors' Report and Financial Statements.....	12
4. Disposition of net income.....	30
5. Articles of Incorporation.....	33
6. Procedures for Election of Directors.....	37
7. Rules of Procedure for Shareholder Meetings.....	39
8. Shareholdings of Directors.....	43

THYE MING INDUSTRIAL CO., LTD.

Procedure of the 2023 Annual Shareholders' Meeting

- I. Call Meeting to Order**
- II. Chairman's Address**
- III. Report Items**
- IV. Proposals for Acceptance and Approval**
- V. Election Matters**
- VI. Other Proposal**
- VII. Extemporaneous Motions**
- VIII. Adjournment**

THYE MING INDUSTRIAL CO., LTD.

2023 Annual Shareholders' Meeting Agenda

Time: June 9, 2023 Tue. at 9 a.m.

Location: No. 6, Juguang 3rd St, Daliao Dist., Kaohsiung City, Taiwan

Procedure of Meeting:

1. Total shares represented by shareholders present in person or by proxy, Call Meeting to Order
2. Chairman's Address
3. Report Items:
 - (1) Business Report of 2022.
 - (2) Audit Committee's Review Report.
 - (3) Report the remuneration distribution of employees and directors of 2022.
 - (4) Report the distribution of surplus cash dividends for 2022.
 - (5) 2022 Director's Remuneration Report.
4. Proposals for Acceptance and Approval
 - (1) Business Report and Financial Report of 2022.
 - (2) Disposition of net income of 2022.
5. Election Matters
 - Full Re-election of Directors.
6. Other Proposal
 - Lifting restrictions of non-compete prohibition of new directors' and representatives.
7. Extemporary Motions
8. Adjournment

Report Items

I. Business Report of 2022, for your honor's approval.

2022 Business Report, please refer to pages 9-10 of this manual.

II. Inspection Report of Audit Committee, for your honor's approval.

Inspection Report of Audit Committee, for details, please refer to page 11 of this manual.

III. Report the remuneration distribution of employees and directors of 2022.

Explanation:

- (1) According to Article 21 of Articles of Incorporation
- (2) On March 17, 2023, the board of directors of approved a resolution of NT\$10,195,448 for employees' remuneration and NT\$26,160,000 for directors' remuneration for the year of 2022. All of the amount will be paid in cash, and there is no difference between the annual amounts of accepted and approved expenses.

IV. Report the distribution of surplus cash dividends for 2021.

Explanation :

- (1) According to Article 21 of the Articles of Incorporation, the board of directors was authorized to present at least two-thirds of the directors, and more than half of the directors present to make a resolution to distribute all or part of the dividends and bonuses in cash, and report at the shareholders meeting.
- (2) For the proposal of disposition of net income of 2022, the board of directors decided to allocate a cash dividend of NT\$669,274,136, a cash dividend of NT\$4 per share, and set a date of payment for distribution.
- (3) The distribution of cash dividends shall be calculated based on the shareholder's shareholding ratio up to the whole dollar amount, and the total amount of odd amount less than NT dollar shall be adjusted according to the amount of odd amount received by each shareholder (for the same amount, it shall be according to the account number of shareholders sorted from front to back) until it complies the total number of odd amount.
- (4) Afterwards, if the number of shares outstanding is affected by the purchase of the shares of the Company, the transfer of treasury stocks, the conversion of convertible corporate bonds, the exercise of employee share subscription warrants, or other reasons, and therefore the distribution rate changes, the board of directors shall have the sole discretion to handle it.

V. 2022 Director's Remuneration Report.

Explanation :

- (1) Remuneration payment policy, standard and combination, procedures of setting remuneration and correlation with business performance:

The Company's independent directors receive fixed remuneration and the remuneration of the remaining directors is stipulated in the Company's Articles of Incorporation, and all directors are entitled to be paid transportation fees, regardless of profit or loss. The remuneration of the Chairman of the Board of Directors is determined by the Board of Directors' meeting based on the value of his participation in and contribution to the Company's operations and refer to the industrial level. In addition, Article 21 of the Company's Articles of incorporation stipulates that the Company shall set aside 1% or more of its annual net income before tax for employee compensation and 3% or less for director's remuneration, but when the Company still has accumulated losses, it shall reserve the amount in advance to make up for the losses.

- (2) 2022 directors' remuneration payment content and amount, please refer to P.32 of the agenda.

Proposals for Acceptance and Approval

Case 1 Proposed by the Board of Directors

Proposal: Business report and financial report of 2022 was submitted for recognition.

Explanation:

1. The business report and financial report for the year 2022 were prepared by the board of directors and submitted to the audit committee for review, wherein the financial report were reviewed by independent auditors, Chiang, Jia-Ling and Guo, Li-Yuan from Deloitte & Touche, and an audit report was issued.
2. Please refer to pages 9-10 and 12-30 of this manual for the aforementioned business report and financial report.

Resolution:

Case 2 Proposed by the Board of Directors

Proposal: Disposition of net income of 2022 was submitted for recognition.

Explanation: Please refer to page 31 of this manual for the Disposition of net income of 2022.

Resolution:

Election Matters

Proposed by the Board of Directors

Proposal: Full Re-election of Directors.

Explanation:

1. The term of office of the Company's current directors will be expired on June 23, 2023, according to Article 199-1 of the Company Act, re-election of directors shall be held in the shareholders' meeting.
2. Considering the establishment of audit committee, as the needs of the Company's business scale and the operation of board of directors, according to Article 12, of the Company's Articles of Incorporation, nine directors (including three independent directors) will be elected this time, and a candidate nomination system has been adopted.
3. The term of office of new directors is three years from June 9, 2023 to June 8, 2026. The term of office of current directors was expired until the completion of the shareholders' meeting.
4. The list of director candidates, please refer to P.33 of the agenda.
5. The election shall be conducted in accordance with the Company's "Procedures for Election of Directors".

Results of election:

Other Proposal

Proposed by the Board of Directors

Proposal: Lifting restrictions of non-compete prohibition of new directors' and representatives. Please proceed to discuss.

Explanation:

1. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. To have the aid of the professional and relevant experiences of the Company's directors, programed to submit to a shareholders' meeting for agreement of lifting restrictions of non-compete prohibition of new directors' and representatives without damaging to the Company's benefits, the concurrent post is as follows:

Title	Name	Current concurrent position of other companies
Director Representative	Chen Li-Ming	Thye Ming (Vietnam) Llc Chairman Thye Wey Industrial Co., Ltd. Director
Director Representative	Lee Mao-Shen	Thye Wey Industrial Co., Ltd. Chairman
Director	Chen Chang-Hao	Thye Ming (Vietnam) Llc General Manager Thye Wey Industrial Co., Ltd. Director

Resolution:

Extemporary Motions

Adjournment

Business Report

Consolidated operating income in 2022 was NT\$9,063,673 thousand, an increase of 2.50% from that in 2021. The net profit before tax was NT\$893,137 thousand, an decrease of 14.46% compared with that in 2021. The explanation of the business performance of 2022 is as follows:

1. Business Report of 2022

(1) Implementation results of business plan

Unit: Thousand NT\$

Item	2021	2020	Increased (decreased) change	
			Amount	%
Operating revenue	9,063,673	8,842,529	221,144	2.50
Operating cost	8,066,855	7,545,950	520,905	6.90
Gross profit	996,818	1,296,579	(299,761)	(23.12)
Total operating expenses	243,915	232,696	11,219	4.82
Profit from operations	752,903	1,063,883	(310,980)	(29.23)
Profit before income tax	893,137	1,044,067	(150,930)	(14.46)
Net profit for the year	683,576	787,960	(104,384)	(13.25)
Net profit attributable to the owners of the Company	680,542	785,791	(105,249)	(13.39)
Total comprehensive income for the year	870,027	1,398,337	(528,310)	(37.78)

(2) Budget Implementation Status of 2022

We are not required to publicize our financial forecasts for 2022.

(3) Financial situation of income and expenditure

Item	2022	2021
Net cash generated from operating activities	493,245	794,885
Net cash used in investing activities	864,870	26,069
Net cash used in financing activities	(481,777)	(996,744)
Net decrease in cash and cash equivalents	896,922	(181,402)
Cash and cash equivalents at the beginning of the year	777,051	958,453
Cash and cash equivalents at the end of the year	1,673,973	777,051

Net cash inflow of business activities decreased, compared with the previous year, and it was because of the reduction of net profit before tax, and increase of income tax payment; net cash inflow of investment activities increased, compared with the previous year, and the main reason was disposal of financial assets; in addition, cash inflow of fundraising activities decreased,

and the main reason was reduction of short-term loans.

(4) Profitability

Items	2022	2021
Return on assets (%)	9.76	11.94
Return on equity (%)	11.32	14.08
Ratio of operating profit to paid-in capital (%)	45.00	63.58
Ratio of net profit before tax to paid-in capital (%)	53.38	62.40
Net profit rate (%)	7.54	8.91
Earnings per share (NT dollar)	4.07	4.00

(5) Research and development

At present, the research and development direction of the lead product market is still working on many aspects, such as reducing product costs, environmental protection and resource regeneration, increasing the performance of lead products, and technological development.

2. Summary of Business Plan for 2023

(1) Operating strategy:

We obtained ISO9002 quality assurance certification at the beginning of 1996, which helps us to improve technical standards and expand the market area. In 1997, we obtained ISO14001 environmental management system certification. We fulfilled our due responsibilities for the environment, so that we obtained ISO/TS16949 quality management system certification in March 2005. Our future business development strategy will still adhere to the spirit of Quality First, Service First. Besides maintaining the stable growth of our main business, we will continue to promote the goal of vertically integrated operations.

(2) Expected sales volume and its basis

1. Expected sales volume: Approximately 106,407 tons.
2. Basis: Factors such as industry supply and demand conditions and the trends of international lead price shall be the basis for estimation.

(3) Production and sales policy

1. Disperse the procurement area and objects, and develop the stability of new materials actively and reduce the cost of purchasing materials.
2. Collect and analyze the development trend of the lead product market, strengthen the development of domestic and foreign markets, and work on diversifying the source of customers.
3. Comply with customers' needs, provide customers with information related to lead products, and open up after-sales service consulting channels to assist customers in solving problems to further improve after-sales service.
4. Develop new products in cooperation with customers, increase the added value of products, and create a win-win situation together.

Person in charge: Chen, Li-Ming Manager: Li, Mao-Sheng
Case accountant: Tung, Hsin-Yuan

Inspection Report of Audit Committee

The Board of Directors made the Company's 2022 Business Report, financial statement and surplus distribution proposal, wherein the financial statement were certified by Deloitte Touche Tohmatsu Limited, and the inspection report was provided. The above-mentioned business report, financial statement and surplus distribution proposal are approved by the Audit Committee, and it is considered that there is no disagreement, and in accordance with Article 14.4 of the Securities and Exchange Act and Article 219 of the Company Act made a report, please review it.

To
2023 Annual Shareholders' Meeting of
THYE MING INDUSTRIAL CO., LTD.

Audit Committee Convener: Chen, Yi-Ming

March 17, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Thye Ming Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Thye Ming Industrial Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

Authenticity of Sales Revenue from Specific Customers

The Group's main source of revenue comes from the sales of lead alloy, yellow and red lead, among which the growth rate of sales revenue from specific customers is significantly higher. Therefore, in accordance with the Statements on Auditing Standards on presumption of revenue as a significant risk, the authenticity of the sales revenue from these specific customers was deemed as a key audit matter.

To evaluate the authenticity of the sales revenue, the following audit procedures were performed:

1. We understood and tested the effectiveness of internal control operations over the authenticity of revenue recognition.

2. We sample tested to verify whether the specific customer's operating income details were consistent with the sales items and amounts received from the shipper and invoices issued. We checked whether bill of lading had been signed by the customer or attached with shipping documents such as export declarations.
3. We sample tested to verify whether the receipt records and the specific customer's operating income details were consistent with the sales items.

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chia-Ling Chiang and Lee-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2023

Notice to Readers

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

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

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,673,973	23	\$ 777,051	11
Financial assets at fair value through profit or loss (Notes 4 and 7)	417,889	6	275,607	4
Notes receivable, net (Notes 4, 10 and 27)	5,346	-	9,194	-
Accounts receivable, net (Notes 4, 10 and 27)	992,730	14	1,164,550	17
Other receivables	16,855	-	13,739	-
Inventories (Notes 4, 5 and 11)	2,930,443	41	2,702,059	39
Other financial assets (Note 9)	201,769	3	224,875	3
Other current assets	<u>23,982</u>	-	<u>28,542</u>	<u>1</u>
Total current assets	<u>6,262,987</u>	<u>87</u>	<u>5,195,617</u>	<u>75</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	159,166	3	989,773	15
Property, plant and equipment (Notes 4, 13, 28 and 29)	513,296	7	492,070	7
Right-of-use assets (Notes 4 and 14)	12,790	-	8,666	-
Investment properties (Notes 4 and 15)	181,649	3	182,099	3
Intangible assets (Note 4)	10,584	-	10,560	-
Deferred tax assets (Notes 4 and 23)	10,174	-	10,275	-
Other financial assets (Notes 9 and 28)	13,100	-	13,100	-
Refundable deposits	3,153	-	1,183	-
Prepayment for equipment	105	-	2,565	-
Other non-current assets	<u>995</u>	-	<u>-</u>	<u>-</u>
Total non-current assets	<u>905,012</u>	<u>13</u>	<u>1,710,291</u>	<u>25</u>
TOTAL	<u>\$ 7,167,999</u>	<u>100</u>	<u>\$ 6,905,908</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	\$ 450,000	6	\$ 166,140	2
Contract liabilities (Note 21)	163	-	47,747	1
Notes payable (Note 17)	38	-	86	-
Accounts payable (Notes 17 and 27)	139,586	2	187,735	3
Other payables (Note 18)	97,896	1	98,220	1
Current tax liabilities (Note 23)	109,287	2	145,595	2
Lease liabilities - current (Notes 4 and 14)	1,615	-	-	-
Other current liabilities	<u>701</u>	-	<u>668</u>	<u>-</u>
Total current liabilities	<u>799,286</u>	<u>11</u>	<u>646,191</u>	<u>9</u>
NON-CURRENT LIABILITIES				
Provisions (Note 4)	3,721	-	4,071	-
Deferred tax liabilities (Notes 4 and 23)	255,493	4	245,347	4
Lease liabilities - non-current (Notes 4 and 14)	2,048	-	-	-
Net defined benefit liabilities (Notes 4 and 19)	15,529	-	28,070	-
Deposits received (Note 15)	<u>850</u>	-	<u>800</u>	<u>-</u>
Total non-current liabilities	<u>277,641</u>	<u>4</u>	<u>278,288</u>	<u>4</u>
Total liabilities	<u>1,076,927</u>	<u>15</u>	<u>924,479</u>	<u>13</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Ordinary shares	<u>1,673,185</u>	<u>23</u>	<u>1,673,185</u>	<u>24</u>
Capital surplus	<u>975,330</u>	<u>14</u>	<u>975,330</u>	<u>14</u>
Retained earnings				
Legal reserve	1,053,009	15	972,816	14
Special reserve	42,065	-	379,885	6
Unappropriated earnings	<u>2,649,490</u>	<u>37</u>	<u>1,741,076</u>	<u>25</u>
Total retained earnings	<u>3,744,564</u>	<u>52</u>	<u>3,093,777</u>	<u>45</u>
	<u>(5)</u>			
Other equity	<u>(343,419)</u>		<u>199,161</u>	<u>3</u>
Total equity attributable to owners of the Company	6,049,660	84	5,941,453	86
NON-CONTROLLING INTERESTS (Note 20)	<u>41,412</u>	<u>1</u>	<u>39,976</u>	<u>1</u>
Total equity	<u>6,091,072</u>	<u>85</u>	<u>5,981,429</u>	<u>87</u>
TOTAL	<u>\$ 7,167,999</u>	<u>100</u>	<u>\$ 6,905,908</u>	<u>100</u>

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

Thye Ming Industrial Co., Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Notes 4, 21 and 27)	\$ 9,063,673	100	\$ 8,842,529	100
OPERATING COSTS (Notes 11, 22 and 27)	<u>8,066,855</u>	<u>89</u>	<u>7,545,950</u>	<u>85</u>
GROSS PROFIT	<u>996,818</u>	<u>11</u>	<u>1,296,579</u>	<u>15</u>
OPERATING EXPENSES (Notes 10 and 22)				
Selling and marketing expenses	88,535	1	84,607	1
General and administrative expenses	154,938	2	154,995	2
Expected reversal of credit loss	<u>442</u>	<u>-</u>	<u>(6,906)</u>	<u>-</u>
Total operating expenses	<u>243,915</u>	<u>3</u>	<u>232,696</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>752,903</u>	<u>8</u>	<u>1,063,883</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 27)				
Interest income	23,785	-	14,305	-
Other income	36,655	1	33,871	1
Other gains and losses	83,689	1	(63,445)	(1)
Finance costs	<u>(3,895)</u>	<u>-</u>	<u>(4,547)</u>	<u>-</u>
Total non-operating income and expenses	<u>140,234</u>	<u>2</u>	<u>(19,816)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	893,137	10	1,044,067	12
INCOME TAX EXPENSE (Notes 4 and 23)	<u>209,561</u>	<u>2</u>	<u>256,107</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>683,576</u>	<u>8</u>	<u>787,960</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	11,345	-	1,096	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	69,152	1	630,262	7
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,269)	-	(219)	-

(Continued)

Thye Ming Industrial Co., Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 108,223	1	\$ (20,762)	-
Other comprehensive income (loss) for the year, net of income tax	186,451	2	610,377	7
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 870,027</u>	<u>10</u>	<u>\$ 1,398,337</u>	<u>16</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 680,542		\$ 785,791	
Non-controlling interests	3,034		2,169	
	<u>\$ 683,576</u>		<u>\$ 787,960</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 865,585		\$ 1,380,971	
Non-controlling interests	4,442		17,366	
	<u>\$ 870,027</u>		<u>\$ 1,398,337</u>	
	2022		2021	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 4.07</u>		<u>\$ 4.00</u>	
Diluted	<u>\$ 4.06</u>		<u>\$ 3.99</u>	

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

Thye Ming Industrial Co., Ltd. and Subsidiaries

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to the Owners of the Company					Other Equity		Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain and Loss on Financial Assets at Fair Value Through Other Comprehensive Income			
			Legal Reserve	Special Reserve						
BALANCE AT JANUARY 1, 2021	\$ 2,091,482	\$ 975,330	\$ 937,192	\$ 346,223	\$ 1,217,585	\$ (440,286)	\$ 60,401	\$ 5,187,927	\$ 25,010	\$ 5,212,937
Appropriation of 2020 earnings (Note 20)										
Legal reserve	-	-	35,624	-	(35,624)	-	-	-	-	-
Special reserve	-	-	-	33,662	(33,662)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(209,148)	-	-	(209,148)	-	(209,148)
	-	-	35,624	33,662	(278,434)	-	-	(209,148)	-	(209,148)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(2,400)	(2,400)
Reduction of cash capital (Note 20)	(418,297)	-	-	-	-	-	-	(418,297)	-	(418,297)
Net profit for the year ended December 31, 2021	-	-	-	-	785,791	-	-	785,791	2,169	787,960
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	868	(20,762)	615,074	595,180	15,197	610,377
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	786,659	(20,762)	615,074	1,380,971	17,366	1,398,337
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	15,266	-	(15,266)	-	-	-
BALANCE AT DECEMBER 31, 2021	1,673,185	975,330	972,816	379,885	1,741,076	(461,048)	660,209	5,941,453	39,976	5,981,429
Appropriation of 2021 earnings (Note 20)										
Legal reserve	-	-	80,193	-	(80,193)	-	-	-	-	-
Special reserve	-	-	-	(337,820)	337,820	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(752,933)	-	-	(752,933)	-	(752,933)
	-	-	80,193	(337,820)	(495,306)	-	-	(752,933)	-	(752,933)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(2,400)	(2,400)
Net profit for the year ended December 31, 2022	-	-	-	-	680,542	-	-	680,542	3,034	683,576
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	9,013	108,223	67,807	185,043	1,408	186,451
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	689,555	108,223	67,807	865,585	4,442	870,027
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	714,165	-	(718,610)	(4,445)	(606)	(5,051)
BALANCE AT DECEMBER 31, 2022	\$ 1,673,185	\$ 975,330	\$ 1,053,009	\$ 42,065	\$ 2,649,490	\$ (352,825)	\$ 9,406	\$ 6,049,660	\$ 41,412	\$ 6,091,072

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

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 893,137	\$ 1,044,067
Adjustments for:		
Depreciation expense	61,855	51,483
Amortization expense	321	102
Expected credit loss recognized (reversed) on accounts receivable	442	(6,906)
Net loss on fair value changes of financial assets at fair value through profit or loss	11,102	32,774
Finance costs	3,895	4,547
Interest income	(23,785)	(14,305)
Dividend income	-	(9,309)
Loss (gain) on disposal of property, plant and equipment	(943)	2,159
Inventory reversed	(143)	(3,156)
Unrealized loss on foreign currency exchange	2,678	581
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(153,384)	64,699
Notes receivable	3,848	3,127
Accounts receivable	191,391	63,941
Other receivables	(2,502)	1,642
Inventories	(171,928)	(358,418)
Other current assets	4,965	(8,103)
Contract liabilities	(47,584)	34,408
Notes payable	(48)	57
Accounts payable	(52,723)	2,163
Other payables	(2,506)	4,275
Provisions	(350)	(772)
Other current liabilities	33	34
Net defined benefit liabilities	(1,196)	(976)
Cash generated from operations	716,575	908,114
Interest received	23,785	14,305
Dividends received	-	9,309
Interest paid	(4,173)	(4,987)
Income tax paid	(242,942)	(131,856)
Net cash generated from operating activities	<u>493,245</u>	<u>794,885</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(100,000)	-
Proceeds from sale of financial assets at fair value through profit or loss	999,759	77,020
Payments for property, plant and equipment	(71,868)	(39,673)
Proceeds from disposal of property, plant and equipment	1,065	897
Increase in refundable deposits	(970)	(871)
Decrease in refundable deposits	-	1,106

(Continued)

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for intangible assets	\$ (61)	\$ (80)
Payments for investment property	-	(113)
Increase in other financial assets	-	(12,217)
Decrease in other financial assets	38,224	-
Increase in other non-current assets	<u>(1,279)</u>	<u>-</u>
Net cash generated from investing activities	<u>864,870</u>	<u>26,069</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	626,813	650,100
Repayments of short-term borrowings	(352,109)	(1,016,999)
Increase in refundable deposits	50	-
Repayment of the principal portion of lease liabilities	(1,198)	-
Dividends paid to owners of the Company	(752,933)	(209,148)
Capital reduction for cash	-	(418,297)
Dividends paid to non-controlling interests	<u>(2,400)</u>	<u>(2,400)</u>
Net cash used in financing activities	<u>(481,777)</u>	<u>(996,744)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS		
	<u>20,584</u>	<u>(5,612)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	896,922	(181,402)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>777,051</u>	<u>958,453</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,673,973</u>	<u>\$ 777,051</u>

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Thye Ming Industrial Co., Ltd.

Opinion

We have audited the accompanying financial statements of Thye Ming Industrial Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of 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

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

Key Audit Matters

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

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

Authenticity of Sales Revenue from Specific Customers

The Company's main source of revenue comes from the sales of lead alloy, yellow and red lead, among which the growth rate of sales revenue from specific customers is significantly higher. Therefore, in accordance with the Statements on Auditing Standards on presumption of revenue as a significant risk, the authenticity of the sales revenue from of these specific customers was deemed as a key audit matter.

To evaluate the authenticity of the sales revenue, the following audit procedures were performed:

1. We understood and tested the effectiveness of internal control operations over the authenticity of revenue recognition.
2. We sample tested to verify whether the specific customer's operating income details were consistent with the sales items and amounts received from the shipper and invoices issued. We checked whether bill of lading had been signed by the customer or attached with shipping documents such as export declarations.
3. We sample tested to verify whether the receipt records and the specific customer's operating income details were consistent with the sales items.

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

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

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

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

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

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

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

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

conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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, and where applicable, related safeguards.

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

The engagement partners on the audits resulting in this independent auditors' report are Chia-Ling Chiang and Lee-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2023

Notice to Readers

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

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

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,373,924	19	\$ 466,174	7
Financial assets at fair value through profit or loss (Notes 4 and 7)	267,169	4	270,411	4
Notes receivable, net (Notes 4, 10 and 27)	5,346	-	9,194	-
Accounts receivable, net (Notes 4, 10 and 27)	835,657	12	818,497	13
Other receivables (Note 27)	100	-	8,438	-
Inventories (Notes 4, 5 and 11)	2,028,354	29	1,920,558	29
Other current assets	<u>11,355</u>	-	<u>22,215</u>	-
Total current assets	<u>4,521,905</u>	<u>64</u>	<u>3,515,487</u>	<u>53</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	111,166	2	790,759	12
Investments accounted for using the equity method (Notes 4 and 12)	1,951,838	27	1,784,229	27
Property, plant and equipment (Notes 4 and 13)	321,842	5	315,907	5
Right-of-use assets (Notes 4 and 14)	3,781	-	-	-
Investment properties (Notes 4 and 15)	148,778	2	149,228	3
Intangible assets (Note 4)	10,584	-	10,560	-
Deferred tax assets (Notes 4 and 23)	9,355	-	9,343	-
Other financial assets (Notes 9 and 28)	13,100	-	13,100	-
Refundable deposits	2,653	-	683	-
Prepayments for equipment	<u>105</u>	-	<u>1,000</u>	-
Total non-current assets	<u>2,573,202</u>	<u>36</u>	<u>3,074,809</u>	<u>47</u>
TOTAL	<u>\$ 7,095,107</u>	<u>100</u>	<u>\$ 6,590,296</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 450,000	6	\$ -	-
Contract liabilities (Note 21)	163	-	47,747	1
Notes payable (Note 17)	38	-	86	-
Accounts payable (Note 17)	124,104	2	83,895	1
Accounts payable - related parties (Notes 17 and 27)	3,741	-	23,588	1
Other payables (Note 18)	89,594	1	88,522	1
Current tax liabilities (Notes 4 and 23)	100,007	2	129,092	2
Lease liabilities - current (Notes 4 and 14)	1,615	-	-	-
Other current liabilities	<u>694</u>	-	<u>663</u>	-
Total current liabilities	<u>769,956</u>	<u>11</u>	<u>373,593</u>	<u>6</u>
NON-CURRENT LIABILITIES				
Provisions (Note 4)	3,643	-	3,992	-
Deferred tax liabilities (Notes 4 and 23)	255,350	4	245,007	4
Leasehold liabilities - non-current (Notes 4 and 14)	2,048	-	-	-
Net defined benefit liabilities (Notes 4 and 19)	13,600	-	25,451	-
Deposits received (Note 15)	<u>850</u>	-	<u>800</u>	-
Total non-current liabilities	<u>275,491</u>	<u>4</u>	<u>275,250</u>	<u>4</u>
Total liabilities	<u>1,045,447</u>	<u>15</u>	<u>648,843</u>	<u>10</u>
EQUITY (Note 20)				
Ordinary shares	<u>1,673,185</u>	<u>23</u>	<u>1,673,185</u>	<u>25</u>
Capital surplus	<u>975,330</u>	<u>14</u>	<u>975,330</u>	<u>15</u>
Retained earnings				
Legal reserve	1,053,009	15	972,816	15
Special reserve	42,065	1	379,885	6
Unappropriated earnings	<u>2,649,490</u>	<u>37</u>	<u>1,741,076</u>	<u>26</u>
Total retained earnings	<u>3,744,564</u>	<u>53</u>	<u>3,093,777</u>	<u>47</u>
	<u>(5)</u>			
Other equity	<u>(343,419)</u>		<u>199,161</u>	<u>3</u>
Total equity	<u>6,049,660</u>	<u>85</u>	<u>5,941,453</u>	<u>90</u>
TOTAL	<u>\$ 7,095,107</u>	<u>100</u>	<u>\$ 6,590,296</u>	<u>100</u>

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

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Notes 4, 21 and 27)	\$ 6,732,796	100	\$ 6,491,806	100
OPERATING COSTS (Notes 11, 22 and 27)	<u>5,847,983</u>	<u>87</u>	<u>5,502,500</u>	<u>85</u>
GROSS PROFIT	<u>884,813</u>	<u>13</u>	<u>989,306</u>	<u>15</u>
OPERATING EXPENSES (Notes 10 and 22)				
Selling and marketing expenses	73,760	1	73,692	1
General and administrative expenses	125,740	2	126,543	2
Expected credit loss (reversal of credit loss)	<u>371</u>	<u>-</u>	<u>(6,187)</u>	<u>-</u>
Total operating expenses	<u>199,871</u>	<u>3</u>	<u>194,048</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>684,942</u>	<u>10</u>	<u>795,258</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 27)				
Interest income	11,157	-	982	-
Other income	11,164	-	33,042	1
Other gains and losses	90,184	2	(64,091)	(1)
Finance costs	(1,645)	-	(341)	-
Share of profit or loss of subsidiaries accounted for using the equity method	<u>71,110</u>	<u>1</u>	<u>221,031</u>	<u>3</u>
Total non-operating income and expenses	<u>181,970</u>	<u>3</u>	<u>190,623</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	866,912	13	985,881	15
INCOME TAX EXPENSE (Notes 4 and 23)	<u>186,370</u>	<u>3</u>	<u>200,090</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>680,542</u>	<u>10</u>	<u>785,791</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	10,694	-	1,001	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	57,944	1	503,694	8

(Continued)

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	\$ 10,321	-	\$ 111,447	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,139)	-	(200)	-
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	<u>108,223</u>	<u>2</u>	<u>(20,762)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>185,043</u>	<u>3</u>	<u>595,180</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 865,585</u>	<u>13</u>	<u>\$ 1,380,971</u>	<u>21</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 4.07</u>		<u>\$ 4.00</u>	
Diluted	<u>\$ 4.06</u>		<u>\$ 3.99</u>	

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

Thye Ming Industrial Co., Ltd.

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares	Capital Surplus	Retained Earnings			Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity	Total	Total Equity
			Legal Reserve	Special Reserve	Unrealized Gain and Loss on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2021	\$ 2,091,482	\$ 975,330	\$ 937,192	\$ 346,223	\$ 1,217,585	\$ (440,286)	\$ 60,401	\$ (379,885)	\$ 5,187,927	
Appropriation of 2020 earnings (Note 20)										
Legal reserve	-	-	35,624	-	(35,624)	-	-	-	-	
Special reserve	-	-	-	33,662	(33,662)	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(209,148)	-	-	-	(209,148)	
	-	-	35,624	33,662	(278,434)	-	-	-	(209,148)	
Reduction of cash capital (Notes 20)	(418,297)	-	-	-	-	-	-	-	(418,297)	
Net profit for the year ended December 31, 2021	-	-	-	-	785,791	-	-	-	785,791	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	868	(20,762)	615,074	594,312	595,180	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	786,659	(20,762)	615,074	594,312	1,380,971	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 8)	-	-	-	-	15,266	-	(15,266)	(15,266)	-	
BALANCE AT DECEMBER 31, 2021	1,673,185	975,330	972,816	379,885	1,741,076	(461,048)	660,209	199,161	5,941,453	
Appropriation of 2021 earnings (Note 20)										
Legal reserve	-	-	80,193	-	(80,193)	-	-	-	-	
Special reserve	-	-	-	(337,820)	337,820	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(752,933)	-	-	-	(752,933)	
	-	-	80,193	(337,820)	(495,306)	-	-	-	(752,933)	
Net profit for the year ended December 31, 2022	-	-	-	-	680,542	-	-	-	680,542	
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	9,013	108,223	67,807	176,030	185,043	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	689,555	108,223	67,807	176,030	865,585	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 8 and 23)	-	-	-	-	714,165	-	(718,610)	(718,610)	(4,445)	
BALANCE AT DECEMBER 31, 2022	\$ 1,673,185	\$ 975,330	\$ 1,053,009	\$ 42,065	\$ 2,649,490	\$ (352,825)	\$ 9,406	\$ (343,419)	\$ 6,049,660	

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

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 866,912	\$ 985,881
Adjustments for:		
Depreciation expense	45,513	37,465
Amortization expense	37	102
Expected credit loss reversed on accounts receivable	371	(6,187)
Net loss on fair value changes of financial assets at fair value through profit or loss	10,217	30,434
Finance costs	1,645	341
Interest income	(11,157)	(982)
Dividend income	-	(7,367)
Share of profit of subsidiaries accounted for using the equity method	(71,110)	(221,031)
Loss on disposal of property, plant and equipment	122	2,382
Inventory write-down reversed	(143)	(42)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(6,975)	63,091
Notes receivable	3,848	3,127
Accounts receivable	(17,531)	143,812
Other receivables	8,338	(138)
Inventories	(107,653)	(394,218)
Other current assets	10,860	(12,104)
Contract liabilities	(47,584)	47,584
Notes payable	(48)	57
Accounts payable	40,209	(1,601)
Accounts payable to related parties	(19,847)	(10,997)
Other payables	(908)	8,772
Provisions	(349)	(750)
Other current liabilities	31	34
Net defined benefit liabilities	(1,157)	(938)
Cash generated from operations	703,641	666,727
Interest received	11,157	982
Dividends received	17,600	24,967
Interest paid	(1,700)	(359)
Income tax paid	(207,263)	(87,518)
Net cash generated from operating activities	<u>523,435</u>	<u>604,799</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(50,000)	-
Proceeds from sale of financial assets at fair value through profit or loss	787,537	77,020
Payments for property, plant and equipment	(48,110)	(33,058)
Proceeds from disposal of property, plant and equipment	-	674
Increase in refundable deposits	(970)	(872)

(Continued)

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in refundable deposits	\$ -	\$ 1,106
Payments for intangible assets	(61)	(80)
Increase in other financial assets	<u>-</u>	<u>(113)</u>
Net cash generated from investing activities	<u>688,396</u>	<u>44,677</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	450,000	-
Repayments of short-term borrowings	-	(100,000)
Increase in refundable deposits	50	-
Repayment of the principal portion of lease liabilities	(1,198)	-
Dividends paid to owners of the Company	(752,933)	(209,148)
Capital reduction for cash	<u>-</u>	<u>(418,297)</u>
Net cash used in financing activities	<u>(304,081)</u>	<u>(727,445)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	907,750	(77,969)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>466,174</u>	<u>544,143</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,373,924</u>	<u>\$ 466,174</u>

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

THYE MING INDUSTRIAL CO., LTD.

Disposition of Net Income of 2022

	Unit: NT dollar
Undistributed net income at the beginning of the period	1,245,770,324
Net profit for the period	680,541,488
Actuarial profit and loss are included in retained net income	9,013,148
Disposal of investments in equity instruments measured at fair value through other comprehensive gains and losses, cumulative gains and losses are directly transferred to retained net income	714,165,354
Current net profit + adjustment	1,403,719,990
Withdraw 10% for the legal surplus reserves	(140,371,999)
Special surplus reserve	(301,354,088)
Distributable surplus for the current period	2,207,764,227
distribution items:	
Shareholders' dividend	(669,274,136)
Undistributed surplus at the end of the period	1,538,490,091

Note: All dividends to shareholders are cash dividends, with NT\$ 4 per share.

Person in charge: Chen, Li-Ming Manager: Li, Mao-Sheng
Case accountant: Tong, Hsin-Yuan

2022 directors' remuneration payment content and amount

Unit : thousand, %

Title	Name	Director's Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration from other jobs								The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit		Remuneration from re-invested businesses other than subsidiaries or parent company
		Base Compensation (A) (Note 1)		Severance Pay and Pensions (B)		Compensation to Directors (C) (Note 2)		Business execution expenses (D) (Note 3)				Remuneration, bonus and special fees (E) (Note 4)		Retirement pension (F) (Note 6)		Employee remuneration (G) (Note 5)						
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	Cash	Stock	Cash	Stock	The Company	From All Consolidated Entities	
Chairman	Tai Yung Investemnt Co., Ltd. Representative : Chen Li-Ming	2,120	2,120	0	0	26,160	26,160	410	410	28,690 4.22%	28,690 4.22%	6,929	8,827	69	76	0	0	0	0	35,688 5.24%	37,593 5.52%	None
Director	Chen Chang-Hao																					
Director	Tai Lin Investment Co., Ltd. Representative : Chen Ki-Rin, Chou Chung -Fa																					
Director	Jin Jun Investment Co., Ltd. Representative : Chen Han-Wen																					
Director	Mao Shen Investment Co., Ltd. Representative : Lee Mao-Sen	2,550	2,550	0	0	0	0	210	210	2,760 0.41%	2,760 0.41%	0	0	0	0	0	0	0	0	2,760 0.41%	2,760 0.41%	None
Independent director	Chen Yi-Ming																					
	Su Kuo-Chen Lee Wen-Fa																					

1. Please describe the compensation policy, system standards/packages, procedures and the linkage to operating performance and future risk exposure to the Independent directors :

The Company's independent directors shall be compensated in accordance with the Company's Articles of incorporation or by resolution of the shareholders' meeting, and shall be reasonably compensated differently from the general directors and supervisors at their discretion. The compensation of such independent directors shall also be determined by the relevant statutory procedures as a fixed monthly compensation without participation in the distribution of earnings of the Company.

2. Except for the disclosure in the table above, remuneration received by the directors of the Company for services rendered in the most recent year (such as acting as consultants to non-employees of the parent company/all companies in the financial statements/reinvestment business, etc.) : consultant fee NT\$240,000.

THYE MING INDUSTRIAL CO, LTD.

The List of Director Candidates

Title	Name	Education	Experience	Shareholding
Director	Tai Yung Investment Co., Ltd. Representative : Chen, Li-Ming	Junior High School	Thye Ming Industrial Co., Ltd. Chairman Tai Lin Investment Co., Ltd. Chairman Thye Wey Industrial Co., Ltd. Director Tai Ying Investment Co., Ltd. Chairman	8,602,232
Director	Chen, Chang-Hao	Western Washington University Business Administration	Thye Ming Industrial Co., Ltd. Director Tai Lin Investment Co., Ltd. Director Thye Wey Industrial Co., Ltd. Director Tai Yung Investment Co., Ltd. Chairman	1,470,740
Director	Tai Lin Investment Co., Ltd. Representative : Chen, Chi-Lin	Elementary School	Thye Ming Industrial Co., Ltd. Director Tai Ye Industrial Co., Ltd. Chairman Ever Chance Enterprise Co., Ltd. Chairman	27,190,913
Director	Tai Lin Investment Co., Ltd. Representative : Chou, Chung -Fa	Fortune Institute of Technology Business Administration	Thye Ming Industrial Co., Ltd. Director	27,190,913
Director	Mao Shen Investment Co., Ltd. Representative : Lee, Mao- Shen	Fortune Institute of Technology Business Administration	Mao Shen Investment Co., Ltd. Chairman Thye Wey Industrial Co., Ltd. Chairman Thye Ming Industrial Co., Ltd. Director Taiwan International Ports Logistics Corporation Director	16,731,356
Director	Jin Jun Investment Co., Ltd. Representative : Chen, Han-Wen	Kaohsiung Medical University Master of Medicine	Thye Ming Industrial Co., Ltd. Director Attending Physician of Kaohsiung Medical University Hospital Surgery Department Lecturer of Kaohsiung Medical University (Department of Surgery)	10,808,443
Independent Director	Chen, Yi-Ming	National Chengchi University Business Administration	CPA of Deloitte & Touche CPA of Guocheng Accounting Firm Wah Lee Industrial Corp. Remuneration Committee member Wah Hong Industrial Corp. Remuneration Committee member Thye Ming Industrial Co., Ltd. Independent Director Thye Ming Industrial Co., Ltd. Remuneration Committee member	0
Independent Director	Lo, Yu-San	Soochow University Department of Economics Shanghai University of Finance and Economics Master of Accounting	Faith Certified Puplic Accountant & Co. Chairman Thye Ming Industrial Co., Ltd. Remuneration Committee member	5,000
Independent Director	Lee, Wen-Fa	Chinese Culture University Master of Business Administration	Deputy Director, National Taxation Bureau of Kaohsiung Thye Ming Industrial Co., Ltd. Independent Director Thye Ming Industrial Co., Ltd. Remuneration Committee member	24,200

THYE MING INDUSTRIAL CO., LTD.

Articles of Incorporation

Chapter I General Provision

- Article 1 The Company is incorporated in accordance with the Company Act and registered under the business name of THYE MING INDUSTRIAL CO., LTD. °
- Article 2 The Company's scope of services is set out hereunder:
1. Electrolytic chemical refining manufacturing, processing and trading on copper, aluminum, tin, zinc, antimony and other metals.
 2. Manufacturing, processing and trading related with copper ingots, copper plates, copper bars, copper pipes, lead plates, lead ingots, lead pipes, lead wires, tin wires, lead alloy ingots, red lead powder, yellow lead powder, pigments, zinc oxide powder, lead oxide, die-casting, etc.
 3. Wholesale and retail of a variety of supplies and groceries.
 4. The agent, distributor offers and bidding business of preceding various domestic and foreign products.
 5. Import and Export trading business for the preceding diversified products.
 6. Contract with construction companies to build residential and commercial buildings for lease and sale.
 7. Contract with construction companies to develop an industrial zone approved by the industrial supervisory unit.
 8. General and industrial waste cleaning business (except for construction industry) (irregular working sites).
 9. General and industrial waste cleaning and recycling business (such as waste lead battery, lead residues etc.).
 10. Trades of waste lead battery and lead residues etc.
 11. Trades of chemical products (except for controlled product).
 12. Warehouse.
 13. ZZ99999All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company may provide external guarantees and reinvestment for related businesses in respect of business, where the total amount reinvested is not bound by 40%, the upper limit of the Company's paid-in capital pursuant to Article 13 of the Company Act.
- Article 4 The Company has its head office in Kaohsiung City, and the Company may establish branches in and out of this country through resolution of the Board of Directors and the competent authorities.

Chapter II Shares

- Article 5 The total amount of the Company's capital is NT\$3.1 billion, which is further divided into 310 million Shares, with the value per share NT\$10, and issue shares in installments.
- Article 6 The Company's stocks are all registered, signed or stamped by the directors representing the Company, and issued after obtaining a certificate from a bank which is a stock issuer in accordance with the law.
- The shares issued by the Company may be exempted from printing stocks, and it is required contact the securities centralized custodial institution to register the issued shares, and proceed in accordance with the regulations of the institution.
- Article 7 The Company's registered stocks shall not be transferred within 60 days before each

regular shareholders' meeting, within 30 days before the shareholders' special meeting, or within 5 days before the company's decision to distribute dividends and bonus or other benefits.

Chapter III Shareholders' Meeting

- Article 8 There are two types of shareholders' meeting, namely, regular meeting and special meeting. The regular meeting shall be convened within six months after the close of each fiscal year, and the board of directors notifies shareholders 30 days before convening. Whereas, special meetings are held 15 days before convening that shareholders are informed of the date/place and reason of meeting and announced. The Shareholders' Meeting notice is made in electronic way upon counterparty's approval, while shareholders of less than 1,000 nominated shares shall be informed of by announcement.
- Article 8-1 This Corporation's shareholders' meeting may be held by video conferencing or other methods announced by the Ministry of Economic Affairs authorities.
- Article 9 When a shareholder is unable to attend the shareholders' meeting for whatever reason, that shareholder shall send a proxy by presenting the Power of Attorney printed by the Company, with specified scope of authorization, to attend.
- Article 10 A resolution is passed at the shareholders' meeting by a majority of the shareholders present who represent more than half of the total number of its outstanding shares, unless otherwise specified in the Company Act. The Company's shareholders shall exercise voting rights in electronic way and related matters are subject to law and regulations.
- Article 10-1 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting and subject to Article 183 of the Company Act.
- Article 11 A shareholder, unless otherwise stipulated in Article 179 of the Company Act relating to the circumstances of certain shares as having no voting right, shall have one voting right in respect of each share in his/her/its possession.

Chapter IV Director & Supervisor

- Article 12 The Company shall appoint 5 to 9 directors with behavioral competence in the Shareholders' Meeting for a three-year term and may be re-elected after the term. The number of appointed directors earlier mentioned shall have no less than 2 independent directors and the same shall not be less than one fifth of the total number of directors of the Company. The election of the directors is done using the candidates nomination system, and the shareholders shall elect the directors from among the nominees for director. The relevant matters of acceptance and announcement of candidates shall be operated according to Article 192-1 of the Company Act. The election of Directors adopts uni-nominal accumulative vote and the shareholdings of all directors are subject to the Securities and Exchange Act and related laws and regulations.
- Article 12-1 The board of directors meeting shall be convened by season with subject specified in the notice given to all directors 7 days beforehand; except for emergency which to be convened at any time. The meeting notice shall be given in written, fax, E-mail and other ways.
- Article 13 The board of directors is organized by directors, which shall have more than two third of the directors present, with the consent of more than half of the directors for one director as the chairman, who performs all matters on behalf of the Company pursuant to law, ordinance, the Articles of Incorporation, the resolution passed in the Shareholders' Meeting and the Board of Directors Meeting.
- Article 13-1 Upon the proportion of directors who cannot attend the meeting reaches one third of all, the Board of Directors shall convene the Special Shareholders' Meeting for make-

up election in sixty days and the term is subject to the remaining period of original office until expiration.

Article 14 When the Chairperson of the Board is unable to exercise the powers of the Chairperson, the proxy appointment is subject to the Company Act. When the director can't attend the BOD meeting, he/she shall present the Power of Attorney, listing the scope of authorization relevant to the subject of the meeting and assign another director to attend the BOD meeting in his/her behalf. Directors who live overseas shall appoint another shareholder who live domestically to attend the Meeting, but shall apply for registration with the competent authority, same does the change.

Article 15 The travelling expense disbursed by all directors shall be paid off regardless of profit or loss and the amount is determined in the Board of Directors Meeting. The remuneration of the Chairperson is determined by virtue of his involving with operation and contribution, also referring to the level across peer industry in the board of Directors Meeting.

Article 16 In accordance with Article 14 of the Securities and Exchange Act, the Company sets up the Audit Committee composed of all independent directors, which is responsible for the execution of the Company Act, the Securities and Exchange Act and other ordinances governing the dutiful powers of supervisors. The member of the Audit Committee, exercise of duty and powers and other matters to follow are all subject to related laws and regulations and the Articles of Organization is alternatively determined by the Board of Directors.

The Company shall set up the Remuneration/Compensation Committee or other functional committee members as required by laws, regulations or for business.

Article 16-1 (Deleted).

Article 16-2 During the term of office of the Directors, the company may authorize the Board of Directors to purchase liability insurance for the scope of the business involved and the liability in accordance with the law for the directors.

Chapter V Manager and Staff

Article 17 The Company may have several managers whose appointment and removal and remuneration shall be subject to the Company Act.

Article 18 (Deleted)

Chapter VI Final Account

Article 19 The Company provides the period spanning from January 1 to December 31 of every year as the fiscal year.

Article 20 The Company shall, at the end of each fiscal year, submit to its General Shareholders Meeting for their ratification of (1) the annual business report, (2) the financial statements, and (3) the proposal for appropriation of profit and remedy in the event of loss proposal and other tables and lists.

Article 21 The Company's net profit before tax before deduction of salary/remuneration to employee and directors shall have no less than 1% allocated for employees' compensation and no more than 3% for directors' reward. However, in case of any accumulated losses, the Company shall reserve the compensation amount in advance. The preceding salary/compensation to employee shall be paid in shares or cash, and the payee shall include employee of subsidiaries by certain conditions.

In case of any surplus presented in the general annual settlement of the Company, the Company shall pay taxes and compensate losses over previous years, followed by 10% for legal surplus reserve, unless such reserve has accrued to reach total capital. Thereafter, the Company shall appropriate or reverse special surplus reserve depending on operation, laws and regulations, as well as undistributed earnings for the preceding year plus adjustments on undistributed earnings for the year as

distributable earnings, followed by the earning distribution proposal developed by the Board of Directors and whenever all or partial dividends are distributed by issuing new shares, the matter shall be proposed to the General Shareholders' Meeting for approval by resolution.

For the under-reported amount among "net increase in fair value of investment property accumulated in the previous period" and "net deduction of other equity accumulated in the previous period", the Company's lawful provision of special surplus reserve shall start with the same amount of special surplus reserve from undistributed surplus for the previous period, followed by classifying net profit after tax for the period plus items other than the same into undistributed surplus for the period.

The Company authorizes more than two third of the Board of Directors as the attendant pursuant to Article 240 of the Company Act and approves to allocate all or partial dividends in cash and reports it in the General Shareholders' Meeting.

Article 21-1 The company is currently at a growth stage; in consideration of sustainability and long-term development, the surplus allocation should take into account the future funding needs of the Company and meeting shareholders' needs for cash inflows. If the company distributes its surplus after the annual final accounts, the annual cash dividends paid shall not be less than 20% of the net profit after tax and annual stock dividends shall not be less than 10% of total cash/share dividends appropriated.

Chapter VII Supplementary Provisions

Article 22 Any matters uncovered in this Articles of Incorporation shall be subject to the Company Act and related laws and regulations.

Article 23 The Articles of Incorporation was established on February 1, 1983. The first amendment was on December 17, 1984. The second amendment was on February 15, 1986. The third amendment was on June 6, 1986. The fourth amendment was on March 12, 1987. The fifth amendment was made on December 23, 1987. The sixth amendment was on May 25, 1988. The seventh amendment was made on August 1, 1989. The eighth amendment was made on January 8, 1990. The ninth amendment was on July 22, 1990. The tenth amendment was on August 31, 1990. The eleventh amendment was on October 16, 1991. The twelfth amendment was on December 5, 1991. The thirteenth amendment was on December 5, 1991. The fourteenth amendment was on March 28, 1991. The fifteenth amendment was on July 3, 1992. The sixteenth amendment was on July 29, 1992. The seventeenth amendment was on May 19, 1994. The eighteenth amendment was on June 3, 1995. The nineteenth amendment was on April 29, 1996. The twentieth amendment was on June 27, 1997. The 21st amendment was on June 1, 1998. The 22nd amendment was on April 1, 1999. The 23th amendment was on May 24, 2000. The 24th amendment was on June 19, 2001. The 25th amendment was on June 21, 2002. The 26th amendment was on June 25, 2003. The 27th amendment was on June 21, 2004. The 28th amendment was on May 13, 2005. The 29th amendment was on June 28, 2005. The 30th amendment was on June 26, 2006. The 31st amendment was on June 25, 2007. The 32nd amendment was on June 27, 2008. The 33th amendment was on June 22, 2009. The 34th amendment was on June 21, 2010. The 35th amendment was on June 27, 2011. The 36th amendment was on June 27, 2012. The 37th amendment was on June 10, 2013. The 38th amendment was on June 13, 2016. The 39th amendment was on June 28, 2017. The 40th amendment was on June 21, 2018. The 41st amendment was on June 28, 2019. The 42nd amendment was on July 23, 2021. The 43rd amendment on June 14, 2022.

THYE MING INDUSTRIAL CO., LTD.
Chairperson: CHEN, LI-MING

THYE MING INDUSTRIAL CO., LTD.

Procedures for Election of Directors

Drawn up on June1, 1998.
Amendment on March 29, 2002.
Amendment on June 28, 2017.

- Article 1 According to the Company Act and the Company's Article of Incorporation, the procedures was drawn up. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2 The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates, the nomination of the elected shall be replaced by attendance card number. Election of independent directors and directors shall be held together, and elected numbers shall be separately calculated, and a candidate nomination system has been adopted for independent directors.
- Article 3 When the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel, and vote monitoring personnel shall have shareholder status.
- Article 4 For the election of the Company's directors, according to the setting number in accordance with the Company's Articles of Incorporation, received ballots representing the highest numbers of voting rights will be elected sequentially in accordance with their respective numbers of votes. When two or more persons 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 5 The Company shall prepare separate ballots, and list attendance card number and the number of voting rights, and add seal of the Company.
- Article 6 If the elected has shareholder status, name and shareholder account number of the elected shall be entered in the ballot, and when the juristic person is the elected, name of the juristic person shall be specified on the ballot, and name of representative shall be added; when the elected does not have shareholder status, name and I.D. card number of the elected shall be specified on the ballot. The elected shall have disposing capacity in accordance with laws.
- Article 7 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared in accordance with the Procedures.
 2. Two or more elected was entered in the same ballot.
 3. Other words or marks are entered in addition to name and shareholder account number or I.D. card number of the elected.
 4. The writing is unclear and indecipherable or has been altered.
 5. If the elected entered in the ballot has shareholder status, his/her/its name, shareholder account number do not conform to the roster; the elected entered in the ballot does not have shareholder status, his/her/its name and I.D. number do not conform after verified.
 6. Name of the elected entered in the ballot is same as other shareholder, and shareholder account number or I.D. number have not been entered in the ballot for verification.
 7. A blank ballot is placed in the ballot box.
 8. The total number of voting rights placed by electors exceeds the sum of holding voting rights.
- Article 8 The voting rights shall be calculated by the chair on site immediately after the end of

the poll, and vote monitoring personnel supervise the process of calculating ballots, for the results of calculation, the list of the elected shall be announced by the chair on the site.

Article 9 Unsettled affairs of the Procedures shall be conducted in accordance with the Company Act, the Company's Articles of Incorporation and other regulations.

Article 10 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

THYE MING INDUSTRIAL CO., LTD.

Rules of Procedure for Shareholders Meetings

Date of Establishment: 1992.04.08
Date of Amendment: 1998.06.01
Date of Amendment: 2002.03.29
Date of Amendment: 2004.03.29
Date of Amendment: 2012.06.27
Date of Amendment: 2014.06.17
Date of Amendment: 2017.06.28
Date of Amendment: 2021.07.23

- Article 1 The Company's shareholders' meetings shall be conducted in accordance with these rules unless otherwise provided by law.
- Article 1-1 The Shareholders referred to in these Rules shall mean the Shareholders themselves as shown in the Register of Members and the proxies appointed by the Shareholders to attend the meeting.
- Article 2 This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or pre-printed ballots shall also be furnished.
- Article 2-1 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 3-1 The shareholders of the Company shall have one vote per share. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. However, the exercise of voting rights is still calculated on the basis of the shares held by them on a consolidated basis. If there are more than two proxies in the preceding paragraph, the proxies shall exercise their voting rights jointly. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- Article 3-2 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the

proxy's authorization. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

Article 4 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

Article 5 The chair shall call the meeting to order and announce the relevant information of the number of non-voting rights and attending shares at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, the chair will announce to cancel the meeting for lack of a quorum. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, All shareholders of the tentative resolution will be notified to convene a shareholder meeting within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 6 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chairman shall not adjourn the meeting without a resolution before the conclusion of the first two scheduled agenda items (including the temporary motion). If the

chairman violates the rules of procedure and adjourns the meeting, a majority of the shareholders present may vote to elect a chairman to continue the meeting. After the meeting is adjourned, the shareholders are not allowed to elect another chairman to continue the meeting at the same place or another venue.

Article 6-1 In addition to the motions listed on the agenda, other motions or amendments or substitutions to the original motions proposed by shareholders should be seconded by other shareholders, and the shareholding of the proposer together with the seconder should reach one percent of the total number of issued common shares.

Article 7 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance or a proxy 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. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 8 Except with the consent of the chair, a shareholder 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 9 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 10 After an attending shareholder or a proxy has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 11 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, call for a vote. No issue will be discussed or voted on unless it is a motion.

Article 12 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. 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 12-1 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected, the numbers of votes with which they were elected, and the list of candidates failed to be elected and the number of votes obtained.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13 Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. In the event of a vote, the Chairman or his designee shall announce the total number of votes of shareholders present on a case-by-case basis. If there is no dissenting opinion from all shareholders

present, the motion shall be deemed to be passed and shall have the same effect as a poll; if there is dissenting opinion, a poll shall be taken in accordance with the preceding provisions.

Article 14 During the meeting, the chairman may call a break at his discretion.

Article 15 When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. 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.

Article 16 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 armband bearing the word "Proctor" or uniform.

Article 17 Matters not provided for in these Rules shall be governed by the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.

Article 18 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

THYE MING INDUSTRIAL CO., LTD.

Shareholdings of Directors

1. The Company has issued a total of 167,318,534 shares of common stock and the minimum number of shares that all directors should hold is 10,039,112 shares.
2. Directors held shares as follows: (The date for suspension of share transfer was April 11, 2023)

Position	Name	Number of shares held upon elected		Number of shares held on the suspension-of-share-transfer day	
		Shares	Ratio	Shares	Ratio
President	TaiYung Investment Company Ltd. Representative: CHEN, LI-MING	10,560,290	5.05%	8,602,232	5.14%
Director	CHEN, CHANG-HAO	775,925	0.37%	1,470,740	0.88%
Director	Tailin Investment Company Ltd. Representative: CHEN, CHI-LIN	32,652,090	15.61%	27,190,913	16.25%
Director	Tailin Investment Company Ltd. Representative: CHOU, CHUNG-FA				
Director	Jin Jun Investment Company Ltd. Representative: CHEN, HAN-WEN	11,195,695	5.35%	10,808,443	6.46%
Director	Mao Shen Investment Company Ltd. Representative: LEE, MAO-SHEN	17,568,446	8.40%	16,731,356	9.99%
Independent Director	CHEN, YI-MING	0	—	0	—
Independent Director	LEE, WEN- FA	30,250	0.01%	24,200	0.01%
Independent Director	SU, KUO-CHEN	41,325	0.02%	33,060	0.02%
Total held by all Directors		72,824,021	34.82%	64,860,944	38.76%