

Stock Code: 4306



炎洲集團
YC GROUP

YEM CHIO CO., LTD.
2023 Annual Shareholders' Meeting

Meeting Agenda

Date: Friday, June 16, 2023

Place: No.397, Xingshan Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)

(Third floor of Headquarters, YC Group)

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1. Meeting Procedures

YEM CHIO CO., LTD 2023 Annual Shareholders' Meeting Meeting Procedures

- (1) Call Meeting to Order
- (2) Chairman's Address
- (3) Report Items
- (4) Matters for Ratification
- (5) Matters for Election
- (6) Matters for Discussion
- (7) Extemporaneous Motions
- (8) Adjournment

2. Meeting Agenda

Meeting Agenda, 2023 Annual Shareholders' Meeting, YEM CHIO CO., LTD

Date: Friday, June 16, 2023

Place: No.397, Xingshan Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)

(Third Floor of Headquarters, YC Group)

Method of meeting: Physical meeting

(1) Call Meeting to Order (report on the number of shareholders present)

(2) Chairman's Address

(3) Report Items:

1. 2022 Business Report
2. 2022 Audit Committee Report
3. Report on 2022 remuneration distribution to employees.
4. Report on 2022 Earnings Distribution and Cash Dividends
5. Report on the implementation of buyback of treasury stocks
6. 2022 Report on receiving of remuneration by directors
7. Report on implementation of the improvement plan in case subsidiary's amount for loaning of funds to others exceeds the limit
8. Report on merger with "Chuang-Yi Investment Co., Ltd."
9. Others

(4) Matters for Ratification:

1. Proposal for 2022 Business Report and Financial Statements
2. Proposal for Distribution of 2022 Earnings

(5) Matters for Election

Proposal for election of additional directors

(6) Matters for Discussion

Proposal for Removal of non-compete restrictions on new directors and their representatives

(7)Extemporary Motions

(8) Adjournment

3. Report Items

Proposal 1: 2022 Business Report

Explanatory Notes: For the 2022 Business Report, please refer to P. 10 of this manual.

Proposal 2: 2022 Audit Committee's Review Report

Explanatory Notes: For the 2022 Audit Committee's Review Report, please refer to P. 12 of this manual.

Proposal 3: Report on 2022 remuneration distribution to employees.

Explanatory Notes: 2022 Employee Profit-sharing Bonus and Directors' Compensation Distribution detailed below:

- a. In accordance with Article 19 of the Company's Articles of Incorporation, "If the Company generates profit in the current period, the distribution shall not be less than 0.5% of the total amount as employee compensation".
- b. The company made a profit of NT\$1,104,881,550 (i.e., pre-tax benefits minus the benefits before distribution of employee remuneration) in 2022, and 0.5% of employee compensation (in cash) is set aside, totaling NT\$5,524,408, all paid in cash.

Proposal 4: Adoption of the Proposal for Distribution of 2022 Earnings

Explanatory Notes: Proposal for Distribution of 2021 Earnings detailed below:

- a. This case is based on Article 19-2 of the Articles of Incorporation. Surplus earnings to be distributed in cash as dividends and bonuses shall be approved by the Board of Directors through a special resolution and reported at the shareholders' meeting.
- b. NT\$625,786,540 will be set aside from earnings for shareholders' dividends. Each common shareholder will be entitled to receive a cash dividend of NT\$1 per share (allocated up to NT\$1, rounded down to less than NT\$1). The total of any fractional amount less than one dollar will be adjusted, where number from the decimal point is from large to small and the account number is adjusted from front to back to meet the total cash dividend allocation.
- c. The Chairman shall be authorized by the Board of Directors through a resolution, to determine the record date for distribution and all related matters. If there is a change in the company's share capital and the dividend ratio is affected by a change in the outstanding shares later on, the Board of Directors shall be authorized to adjust the dividend ratio for the distribution of each share.

Proposal 5: Report on the implementation of buyback of treasury stocks

Explanatory Notes: The implementation plan for buyback of treasury stocks is detailed below:

Buyback Period	13rd Session	14 th Session
Date of Board Resolution	March 10, 2020	May 13, 2020
Buyback Purpose	Transfer shares to employees	Transfer shares to employees
Estimated Buyback Period	March 11, 2020- May 8, 2020	March 14, 2020- July 13, 2020
Actual Buyback Period	March 12, 2020- April 27, 2020	March 22, 2020- July 13, 2020
Buyback Method	Centralized market buyback of securities	Centralized market buyback of securities
Buyback Period Price	NT\$9~ NT\$16	NT\$9~ NT\$16.2
Estimated Buyback Volume	Common shares 10,000,000 shares	Common shares 10,000,000 shares

Buyback Types and Volume	Common shares 8,699,000 shares	Common shares 7,022,000 shares
Buyback amount	NT\$85,553,642	NT\$84,796,395
Average buyback price, per share	NT\$9.83	NT\$12.08
Number of shares cancelled and transferred	0 shares	0 shares
Cumulative number of shares held by the company	8,699,000 shares	15,721,000 shares
The ratio of the cumulative number of shares held by the company to the total number of issued shares (%)	1.34%	2.41%

Proposal 6: 2022 Report on receiving of remuneration by directors

Description:

1. The remuneration to ordinary and independent directors of the Company is paid in accordance with the Articles of Incorporation and the “Director Remuneration Management Regulations”. As stated in the Articles of Incorporation, the Company may pay remuneration to directors for performing the Company's duties, provided that such remuneration shall not exceed 1% of the Company's profit after tax. The Board of Directors is authorized to determine such remuneration by taking into account the director's degree of participation and value of their contribution to the Company's operations. The remuneration shall not exceed the standards of peers in the industry. According to the “Director Remuneration Management Regulations”, directors may receive a fixed amount of remuneration every year provided that it does not violate the limit specified in the Articles of Incorporation. Except for the directors who participate in the routine operations of the Company, all the directors may receive an attendance fee for their attendance at the Board meeting. The Chairman participates in the management of the Company's routine operations and his/her remuneration is determined by the Board of Directors.
2. For the remuneration of individual directors and its amount, please refer to p.13 in this meeting book.

Proposal 7: Report on implementation of the improvement plan in case subsidiary's amount for loaning of funds to others exceeds the limit

Description:

1. Implemented according to Letter Jin-Guan-Zheng-Shen-Zi No. 1110341558 issued by the Financial Supervisory Commission.
2. The balance of the loaning of funds by ASIA PLASTICS (BVI)CO., LTD., a subsidiary of the Company, to Wan Chio Petrochemical (Jiangsu) Co., Ltd.exceeded the limit specified in its operation procedure. The implementation of the improvement plan is reported as follow:
After carrying out the procedures of land use rights and disposal of factory building and equipment in April 2023, Wan Chio Petrochemical (Jiangsu) Co., Ltd.will enter the liquidation procedure and the liability of this loaning of funds will be cancelled after the liquidation. The improvement is expected to finish in June 2024.

Proposal 8: Report on merger with “Chuang-Yi Investment Co., Ltd.”

Description:

1. In consideration of the integration of overall resources, reduction of the operating costs, and tax mitigation, the Company performed adjustment of the organization. Upon resolution of the Board of Director on November 10, 2022, the Company proceeded with short-form merger (hereinafter referred to as the Merger) with Chuang-Yi Investment Co., Ltd. (Hereinafter referred to as Chuang-Yi Investment), a subsidiary in which the Company held all the shares, in accordance with the Business Mergers and Acquisitions Act, Company Act and related laws and regulations. The Company is the surviving company and Chuang-Yi Investment is the dissolved company after the Merger.
2. The reference date of the merger was December 1, 2022. Since the Company merged with a subsidiary in which the Company held all the shares, no new shares were issued for the Merger. The Company received the Approval Letter Jing-Shou-Shang-Zi No.11101241440 issued by the Department of Commerce, Ministry of Economic Affairs, on January 4, 2023 and finished the change registration for the Merger.

Proposal 9: Others: None

4. Matters for Ratification

Proposal 1 (Proposed by the Board of Directors)

Subject: Filing of the 2022 Business Report and Financial Statements

Explanation:

1. The business report and 2022 financial reports of the Company have been approved by the Board of Directors. The aforementioned financial statements have been certified by Lin, Yi-Fan and Chen, Jin-Chang, CPAs of PwC Taiwan, and reports have been verified and submitted. The financial and business reports have also been reviewed by the Audit Committee, and are certified true and correct.
2. Enclosed are the business report, independent auditors' report and aforementioned financial statements for ratification, found on P.10 and P.14-40 of this meeting agenda.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Subject: Adoption of the Proposal for Distribution of 2022 Profits

Explanation:

Proposal for Distribution of 2022 Profits is detailed below:

YEM CHIO CO., LTD.
Distribution of 2022 Profits

Unit: NT\$

Item	Amount
Unappropriated earnings of January 1, 2022	538,664,261
Plus: Net Income after tax 2022	1,037,825,560
Plus: Remeasurements of Defined Benefit Obligations	38,501,715
Less: Disposal of Financial Assets at FVTOCI 2022	(10,871,444)
Less: Disposal of Financial Assets from Subsidiary at FVTOCI 2022	(54,943,869)
The net profit after tax for the current period plus items other than the net profit for the current period are included in the amount of undistributed surplus for the current year	1,010,511,962
Less: Legal surplus reserve, 10%	(101,051,196)
Plus: Special surplus reserve	(34,048,169)
Distributable earnings of December 31, 2022	1,414,076,858
Less: Cash dividends (NT\$1 per share)	(625,786,540)
Unappropriated earnings of December 31, 2022	788,290,318

Person in Charge: Chih-Hsieh Lee Manager: Fang, Shu-Fen Accountant in charge: Chou, Yun-Ting

Resolution:

5. Matters for Election

Proposal by the Board

Proposal: Election of additional directors.

Description: I. According to Article 12 of the Articles of Incorporation, “the Company appoints five to seven directors...” The Company has currently five directors (including three independent directors). To meet the operating needs of the Company, additional two directors will be elected at this annual general meeting of shareholders. There will be seven directors (including three independent directors) after the election.

II. The newly elected directors shall have the term of office from June 16, 2023 to June 16, 2025, the same term as that of the existing directors.

III. The Company's directors are elected by the candidate nomination system.

The information on the director candidates is described below:

Title	Name	Education	Experience	Current Position	Current Shareholding
Director	Ings Chyuang International Co., Ltd. Representative: Su-Wei, Lee	—	—	—	42,748,839
		Master, Department of International Business, Ming Chun University	President, Ningbo Asia Plastics Technology Co., Ltd.; President, Wong Chio Development, Ltd.; President, Yem Chio Co., Ltd.; Chairman, Wong Chio Development, Ltd.; CEO, Real Estate Business Group, Yem Chio Co., Ltd.	CEO of Real Estate Business Group and Director of Finance and HR Division, Yem Chio Co., Ltd.	
Director	Asia Plastics Co., Ltd. Representative: Fang, Shu-Fen	—	—	—	52,974,405
		Master of accounting, Northern Illinois University	Accounting manager, ACHEM Opto-Electronic Corporation; Deputy Director, Administration Division of ACHEM Opto-Electronic Corporation Director of Administration Division and Special Assistant of President, Yem Chio Co., Ltd.	President, Yem Chio Co., Ltd.	

4. For the Procedures for Election of director, please refer to P.47-49 of the meeting agenda.
5. Please proceed with the election.

Results of election:

6. Matters for Discussion

Proposal 1 (Proposed by the Board of Directors)

Subject : Proposal for Removal of non-compete restrictions on new directors and their representatives, please discuss.

Explanation : 1. According to Article 209, item 1, 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. The new directors of the company may invest or operate the same or similar business scope as the company. Without prejudice to the interests of the company, it is proposed to submit to the shareholders' meeting in accordance with the law to remove the non-compete restrictions on the new directors and their representatives.

3. The details of the removal matters of directors are as follows, please discuss.

Title	Name	Concurrent duties
Director	Ings Chyung International Co., Ltd. Representative: Su-Wei Lee	Director, INGS Chyung International Co., Ltd.; Director, ASIA PLASTICS CO., LTD.; Director, Ying Chung Co., Ltd.; Director, Zhou Ji International Co., Ltd.; Chairman, Yanrun Development Co., Ltd.; Director, Master Package (Shanghai) Material Technology Co., Ltd.; Director, ACHEM Technology (Wuhan) Limited; Director, Foshan Inder Adhesive Product Co., Ltd.
Director	Asia Plastics Co., Ltd. Representative: Fang, Shu-Fen	Director, ACHEM Opto-Electronic Corporation

Resolution:

7. Extemporaneous Motions Adjournment

8. Appendix

Attachment I

Business Report

Business report

I. Operating Performance in 2022

(I) Business plan implementation results

(1) Sales: The net consolidated sales revenue in 2022 was NT\$14,671,393 thousand, a 14.6% decrease from 2021. The contribution of the tape manufacturing department was NT\$12,575,318 thousand at a rate of 85.7%.

(2) Production: In 2022, about 1.540,460 billion m2 of glue was used for tapes and the production volume of the films was 90,111 tons.

(II) Consolidated business results summary

(Unit: NT\$thousand)

Item	2022
Operating Revenue	14,671,393
Operating Costs	12,079,984
Operating Margin	2,591,409
Operating Expenses	1,541,144
Operating Profit	1,050,265
Net Non-operating Income	314,539
Income before Tax	1,364,804
Income tax expense	235,976
Income from continuing operations	1,128,828
Loss on discontinued operations	577
Net income	1,128,251

(III) Financial Revenue and Expenditure and Profitability analysis

The Consolidated income and expenditure overview comparison is illustrated as follows:

Income:

(Unit: NT\$ thousand)

Item	2022	2021	Percent Change
Operating Income	14,671,393	17,181,794	-14.6%
Non-Operating Income	1,673,757	1,256,290	33.2%
Total	16,345,150	18,438,084	-11.4%

Expenditure :

(Unit: NT\$ thousand)

Item	2022	2021	Percent Change
Operating Cost	12,079,984	14,275,031	-15.4%
Operating Expense	1,541,144	1,602,864	-3.9%
Non-Operating Expense	1,359,218	329,724	312.2%
Total	14,980,346	16,207,619	17.7%

(IV) Revenue structure analysis: The company's consolidated net revenue in 2022 was NT\$14.67 billion. The total net revenue of each department of the company is illustrated as follows:

(Unit: NT\$ thousand)

Item	Amount	Percentage
Tape Manufacturing Department	12,575,318	85.7%
Distribution Business Group	1,660,028	11.3%
Real Estate Business Group	42,757	0.3%
Special Chemistry Department	393,290	2.7%
Total	14,671,393	100%

(V) Research development status:

The company's short-term R&D direction is to meet the needs of the market and customers, develop or adjust adhesive formulation and add different coating technologies to produce products that can be commodified and in line with future trends.

In the mid-term, it will be vertically integrated upwards by organizational adjustments, recruitment of R&D personnel, and increasing our own development abilities for various films year by year to make products that are differentiated from the market.

Person in Charge: Chih-Hsieh Lee

Manager: Fang, Shu-Fen

Accountant in charge: Chou, Yun-Ting

Attachment II
Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm PwC Taiwan was retained as auditor of the Company's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and certified to be correct and accurate by the Audit Committee members of YEM CHIO CO., LTD. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely yours,

2023 Annual General Meeting of YEM CHIO CO., LTD.

Chairman of the Audit Committee:

Chen, Yen-Chun

March 15, 2023

Attachment III

Remuneration of Directors (Including Independent Directors)

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) and to Net Income (%) ⁸		Relevant Remuneration Received by Directors who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) And to Net Income (%) ⁸		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary ⁹
		Base Compensation (A) ²		Severance Pay (B)		Directors Compensation(C) ³		Allowances (D) ²				Salary, Bonuses, and Allowances (E) ⁵		Severance Pay (F)		Employee Compensation (G) ⁶						
		The company	All companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements ⁷			The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements ⁷	The company	Companies in the consolidated financial statements ⁷	The company		Companies in the consolidated financial statements ⁷		
										Cash	Stock							Cash	Stock			
Chairman	Ings Chyung International Co., Ltd Representative: Chih-Hsieh Lee	60	60	-	-	-	-	-	--	60/ 0.0058%	60/ 0.0058%	2,278	2,278	-	-	85	-	85	-	2,423/ 0.233%	2,423 0.233%	None
Director	Asia Plastics Co., Ltd. Representative: Sishan Lin	60	60	-	-	-	-	30	30	90/ 0.0087%	90/ 0.0087%	-	-	-	-	-	-	-	-	90/ 0.0087%	90/ 0.0087%	None
Independent Director	Yen Chun Chen	60	60	-	-	-	-	30	30	90/ 0.0087%	90/ 0.0087%	-	-	-	-	-	-	-	-	90/ 0.0087%	90/ 0.0087%	None
Independent Director	Jian Chuan Wang	60	60	-	-	-	-	30	30	90/ 0.0087%	90/ 0.0087%	-	-	-	-	-	-	-	-	90/ 0.0087%	90/ 0.0087%	None
Independent Director	Shun Fa Chen	60	120	-	-	-	-	30	60	90/ 0.0087%	180/ 0.0173%	-	-	-	-	-	-	-	-	90/ 0.0087%	180/ 0.0173%	None

1. Please state the policy, system, standard and structure of the remuneration payment for independent directors, and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors: the company's director's remuneration currently adopts a fixed amount.

2. Except as disclosed in the above table, the remuneration received by the directors of the company for providing services to all companies in the financial report (such as serving as a consultant for parent company/ all company in financial statements/ non-employees of the reinvestment business, etc.) in the most recent year: 0 thousands NTD dollars.

Attachment IV

2022 INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS
(Parent company only financial statement)

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Yem Chio Co., Ltd.⁴

Opinion

We have audited the accompanying parent company only balance sheets of Yem Chio Co., Ltd. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Emphasis of matter – Organization restructuring

As described in Notes 4(27) and 6(7) of the financial statements, the Company conducted a short-form merger with the subsidiary, Chuang-Yi Investment Co., Ltd., on December 1, 2022. The Company retrospectively restated the parent company only financial statements as at and for the year ended December 31, 2021 as the subsidiary was considered as consolidated from the beginning in accordance with the Accounting Research and Development Foundation Interpretation 101-301. Our opinion is not modified in respect of the Company's restated parent company only financial statements for the year ended December 31, 2021.

Key audit matters

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

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

Valuation of inventory

Description

Refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions applied on inventory valuation and Note 6(6) for details of inventories. As of December 31, 2022, the inventories and allowance for valuation loss amounted to NT\$6,374,429 thousand and NT\$12,744 thousand, respectively.

The Company is mainly engaged in the manufacture, processing, and sales of packaging materials, including BOPP film, adhesives and polystyrene sheets, as well as land development and construction. The Company's inventories are measured at the lower of cost and net realisable value, and an allowance for inventory valuation losses is provided based on the net realisable value and usable condition of individually identified obsolete or slow-moving inventories.

Considering that the Company's inventories and the allowance for inventory valuation losses are material to the financial statements and the determination of net realisable value for obsolete or slow-moving inventories involves judgements and estimates, we identified the allowance for inventory valuation loss as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed and obtained an understanding of provision policies in relation to the allowance for inventory valuation losses.
2. For packaging materials business:
 - (1) Obtained the net realisable value valuation report of inventories, assessed the calculation logic, verified the related records, and selected samples to check the source data of net realisable value.
 - (2) Obtained the details of the individually identified obsolete or slow-moving inventories, reviewed the related supporting documents, and verified the records.
 - (3) Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.
3. For land development and construction business:

Obtained the valuation data in relation to the net realisable value of inventories to ascertain whether the data source, assumptions and methods adopted by the Company are reasonable. Tested data in order to check the reasonableness of the net realisable value of construction-in-progress and land held for building.

Valuation of investment property

Description

Refer to Note 4(17) for accounting policy on investment property, Note 5(2) for uncertainty of accounting estimates and assumptions applied on fair value valuation and Note 6(11) for details of investment property. As of December 31, 2022, the fair value of investment property was NT\$2,123,774 thousand.

The Company's investment property is valued by external experts using the fair value model. Additionally, the Company's investment property is material to the financial statements. Given that the valuation process is subject to significant assumptions on discount rate and future lease income and has material effect on the fair value measurement, we considered the valuation of investment property as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the qualification and independence of appointed external appraisers in accordance with the Company policy.
2. Reviewed whether the valuation method used in the appraisal report is consistent with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. For investment properties accounted for using the income approach, assessed whether the lease income and rental growth rate are reasonable by referencing to the market rental rate.

Other matter – Audits by other auditors

We did not audit the financial statements of certain investees accounted for under the equity method. The balances of these investments amounted to NT\$1,223,311 thousand and NT\$1,116,201 thousand, constituting 6% and 5% of total assets, as at December 31, 2022 and 2021, respectively, and the comprehensive loss amounted to (NT\$10,348) thousand and (NT\$7,209) thousand, both constituting (1%) of total comprehensive income for the years then ended, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other auditors.

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 the 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 the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

Lin, Yi-Fan

Chen, Ching Chang

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

YEM CHIO CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021 (As restated)			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	558,201	3	\$	353,576	2
1110	Financial assets at fair value through profit or loss - current	6(2)		81	-		134,754	1
1120	Financial assets at fair value through other comprehensive income - current	6(3) and 8		959,378	4		1,390,690	6
1136	Financial assets at amortised cost - current	6(4)		392,067	2		196,623	1
1150	Notes receivable, net	6(5)		31,759	-		69,027	-
1170	Accounts receivable, net	6(5)		260,126	1		547,261	2
1180	Accounts receivable - related parties	7		109,989	1		246,884	1
1200	Other receivables			20,423	-		14,249	-
1210	Other receivables - related parties	7		1,030,746	5		2,417,445	11
1220	Current tax assets			202	-		-	-
130X	Inventories, net	6(6), 7 and 8		6,361,685	29		5,682,451	26
1470	Other current assets	7		522,347	2		512,724	2
11XX	Total current assets			10,247,004	47		11,565,684	52
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)		5,597	-		5,597	-
1535	Financial assets at amortised cost - non-current	6(4) and 8		104,793	-		209,132	1
1550	Investments accounted for under equity method	6(7)		6,130,083	28		4,894,822	22
1600	Property, plant and equipment, net	6(8) and 8		3,218,674	15		3,361,809	15
1755	Right-of-use assets	6(9) and 8		59,174	-		-	-
1760	Investment property, net	6(11), 7 and 8		2,123,774	10		2,098,276	10
1780	Intangible assets, net			144	-		166	-
1840	Deferred income tax assets	6(27)		52,765	-		76,256	-
1900	Other non-current assets	8		5,046	-		2,464	-
15XX	Total non-current assets			11,700,050	53		10,648,522	48
1XXX	Total assets		\$	21,947,054	100	\$	22,214,206	100

(Continued)

YEM CHIO CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021 (As restated)	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ 2,471,092	11	\$ 3,727,592	17
2110	Short-term notes and bills payable	6(13)	550,000	3	410,000	2
2130	Current contract liabilities	6(21) and 7	593,201	3	479,895	2
2150	Notes payable		40,079	-	76,465	-
2170	Accounts payable		108,905	-	151,526	1
2180	Accounts payable - related parties	7	14,129	-	16,694	-
2200	Other payables		128,489	1	135,930	1
2220	Other payables - related parties	7	754	-	361,142	2
2230	Current income tax liabilities		28,761	-	87,671	-
2280	Current lease liabilities		2,534	-	-	-
2320	Long-term liabilities, current portion	6(14)(15)(16) and 8	2,448,500	11	3,006,078	13
2399	Other current liabilities		6,996	-	10,804	-
21XX	Total current liabilities		6,393,440	29	8,463,797	38
Non-current liabilities						
2530	Corporate bonds payable	6(15) and 8	411,778	2	-	-
2540	Long-term borrowings	6(16) and 8	2,964,750	14	2,409,045	11
2570	Deferred income tax liabilities	6(27)	88,583	-	85,149	-
2580	Non-current lease liabilities		56,846	-	-	-
2600	Other non-current liabilities	6(7)(17)	893,949	4	902,656	4
25XX	Total non-current liabilities		4,415,906	20	3,396,850	15
2XXX	Total liabilities		10,809,346	49	11,860,647	53
Equity						
	Share capital	6(18)				
3110	Common stock		6,404,897	29	6,380,540	29
3130	Certificate of entitlement to new shares from convertible bonds		10,000	-	2,333	-
	Capital surplus	6(19)				
3200	Capital surplus		2,638,722	12	2,384,602	10
	Retained earnings	6(20)				
3310	Legal reserve		467,875	2	359,243	2
3320	Special reserve		477,708	2	490,572	2
3350	Unappropriated retained earnings		1,549,179	7	1,256,999	6
	Other equity interest					
3400	Other equity interest		3,672	1	106,385	-
3500	Treasury stocks	6(18)	(414,345)	(2)	(414,345)	(2)
3XXX	Total equity		11,137,708	51	10,353,559	47
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 21,947,054	100	\$ 22,214,206	100

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

YEM CHIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

			Year ended December 31			
Items		Notes	2022		2021 (As restated)	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(21) and 7	\$ 3,642,524	100	\$ 5,077,343	100
5000	Operating costs	6(6)(26) and 7	(3,248,693)	(89)	(4,299,773)	(84)
5950	Net operating margin		393,831	11	777,570	16
	Operating expenses	6(26)				
6100	Selling expenses		(227,257)	(6)	(224,449)	(5)
6200	General and administrative expenses		(124,090)	(4)	(122,066)	(2)
6300	Research and development expenses		-	-	(2,515)	-
6000	Total operating expenses		(351,347)	(10)	(349,030)	(7)
6900	Operating profit		42,484	1	428,540	9
	Non-operating income and expenses					
7100	Interest income	6(22) and 7	12,334	-	17,055	-
7010	Other income	6(23) and 7	192,867	5	170,209	4
7020	Other gains and losses	6(24)	124,386	4	620,649	12
7050	Finance costs	6(25) and 7	(68,726)	(2)	(88,025)	(2)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(7)				
			795,961	22	(192,531)	(4)
7000	Total non-operating income and expenses		1,056,822	29	527,357	10
7900	Profit before income tax		1,099,306	30	955,897	19
7950	Income tax expense	6(27)	(61,480)	(1)	(84,210)	(2)
8000	Profit for the year from continuing operations		1,037,826	29	871,687	17
8160	Profit (loss) attributable to non-controlling interests before business combination under common control		-	-	(3,925)	-
8200	Profit for the year		\$ 1,037,826	29	\$ 867,762	17
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial (losses) gains on defined benefit plans	6(17)	(\$ 3,373)	-	\$ 1,846	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(213,299)	(6)	389,534	8
8330	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		(20,342)	(1)	9,756	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	675	-	(369)	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(236,339)	(7)	400,767	8
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		304,097	8	(101,671)	(2)
8380	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		14,987	1	(7,274)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		319,084	9	(108,945)	(2)
8300	Other comprehensive income for the year		\$ 82,745	2	\$ 291,822	6
8400	Comprehensive income attributable to non-controlling interests before business combination under common control		-	-	(2,768)	-
8500	Total comprehensive income for the year		\$ 1,120,571	31	\$ 1,156,816	23
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(28)	\$ 1.72		\$ 1.47	
9850	Diluted earnings per share	6(28)	\$ 1.58		\$ 1.32	

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

YEM CHIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Capital			Retained Earnings			Other Equity Interest				
		Share capital	Certificate of entitlement to new shares from convertible bonds	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Treasury stocks	Equity attributable to non-controlling interest before business combination under common control
	Notes	common stock										Total
<u>2021 (As restated)</u>												
Balance at January 1, 2021		\$ 5,700,402	\$ 150,076	\$ 2,592,442	\$ 279,187	\$ 637,634	\$ 800,561	(\$ 536,781)	(\$ 79,674)	\$ 439,576	(\$ 562,488)	\$ -
Profit for the year		-	-	-	-	-	867,762	-	-	-	-	3,925
Other comprehensive income (loss)		-	-	-	-	-	12,787	(105,221)	381,488	-	-	2,768
Total comprehensive income (loss)		-	-	-	-	-	880,549	(105,221)	381,488	-	-	6,693
Appropriations and distribution of retained earnings for the year ended December 31, 2020	6(20)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(348,445)	-	-	-	-	(348,445)
Stock dividends		348,445	-	-	-	-	(348,445)	-	-	-	-	-
Legal reserve		-	-	-	80,056	-	(80,056)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(147,062)	147,062	-	-	-	-	-
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	-	219,292	-	(219,292)	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income of subsidiaries		-	-	-	-	-	(13,519)	-	13,519	-	-	-
Disposal of treasury shares by subsidiaries	6(18)	-	-	-	-	-	-	-	-	-	8,870	8,870
Cancellation of treasury stocks	6(18)(19)	(93,800)	-	(45,473)	-	-	-	-	-	-	139,273	-
Conversion of convertible bonds	6(18)(19)	-	277,750	72,503	-	-	-	-	-	-	-	350,253
Changes in ownership interests in subsidiaries	6(19)	-	-	(1,929)	-	-	-	-	-	-	-	(1,929)
Conversion of certificates of bonds-to-share		425,493	(425,493)	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(19)	-	-	(243,740)	-	-	-	-	-	-	-	(243,740)
The Company's stocks held by subsidiaries deemed as cash dividends distributed to treasury stocks	6(19)	-	-	10,799	-	-	-	-	-	-	-	10,799
Reorganization		-	-	-	-	-	-	-	-	-	(6,693)	(6,693)
Balance at December 31, 2021		\$ 6,380,540	\$ 2,333	\$ 2,384,602	\$ 359,243	\$ 490,572	\$ 1,256,999	(\$ 642,002)	\$ 96,041	\$ 439,576	(\$ 414,345)	\$ 10,353,559
<u>2022</u>												
Balance at January 1, 2022		\$ 6,380,540	\$ 2,333	\$ 2,384,602	\$ 359,243	\$ 490,572	\$ 1,256,999	(\$ 642,002)	\$ 96,041	\$ 439,576	(\$ 414,345)	\$ 10,353,559
Profit for the year		-	-	-	-	-	1,037,826	-	-	-	-	1,037,826
Other comprehensive income (loss)		-	-	-	-	-	38,503	328,415	(284,173)	-	-	82,745
Total comprehensive income (loss)		-	-	-	-	-	1,076,329	328,415	(284,173)	-	-	1,120,571
Appropriations and distribution of retained earnings for the year ended December 31, 2021	6(20)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(622,566)	-	-	-	-	(622,566)
Legal reserve		-	-	-	108,632	-	(108,632)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(12,864)	12,864	-	-	-	-	-
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	-	(10,871)	-	10,871	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income of subsidiaries		-	-	-	-	-	(54,944)	-	54,944	-	-	-
Conversion of convertible bonds	6(18)(19)	-	32,024	3,214	-	-	-	-	-	-	-	35,238
Adjustments recognised not based on the shareholding ratio	6(19)	-	-	232,209	-	-	-	-	-	-	-	232,209
Changes in ownership interests in subsidiaries	6(19)	-	-	(17)	-	-	-	-	-	-	-	(17)
Conversion of certificates of bonds-to-share		24,357	(24,357)	-	-	-	-	-	-	-	-	-
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	6(19)	-	-	18,423	-	-	-	-	-	-	-	18,423
Gains from exercise of disgorgement	6(19)	-	-	291	-	-	-	-	-	-	-	291
Balance at December 31, 2022		\$ 6,404,897	\$ 10,000	\$ 2,638,722	\$ 467,875	\$ 477,708	\$ 1,549,179	(\$ 313,587)	(\$ 122,317)	\$ 439,576	(\$ 414,345)	\$ 11,137,708

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

YEM CHIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,099,306	\$ 955,897
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss	6(2)(24)	48,470	(21,028)
Gain on disposal of non-current assets held for sale	6(11)(24)	-	(661,905)
Share of (profit) loss of associates and joint ventures accounted for under equity method	6(7)	(795,961)	192,531
Depreciation	6(8)(26)	203,085	204,508
Loss on disposal of property, plant and equipment	6(24)	20	165
Gain on fair value adjustment of investment property	6(11)(24)	(25,498)	(7,810)
Amortization	6(26)	22	22
Employees' compensation	6(26)	5,575	5,576
Interest income	6(22)	(12,334)	(17,055)
Dividend income	6(23)	(107,062)	(79,695)
Interest expense	6(25)	68,726	88,025
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		37,268	(26,816)
Accounts receivable, net		287,135	(197,556)
Accounts receivable - related parties		136,895	(128,752)
Other receivables	(	6,174)	44,483
Other receivables - related parties	(	2,460)	392)
Inventories	(	585,220)	(575,213)
Other current assets	(	9,201)	36,153
Changes in operating liabilities			
Current contract liabilities		113,306	145,481
Notes payable	(	36,386)	38,572
Accounts payable	(	42,621)	11,062
Accounts payable - related parties	(	2,565)	976
Other payables	(	12,751)	(10,352)
Other payables - related parties	(	5,388)	1,429
Other current liabilities	(	3,808)	1,916
Other non-current liabilities	(	55)	923
Cash inflow generated from operations		352,324	1,145
Interest received		28,311	17,055
Dividends received		205,381	1,363,823
Interest paid	(	159,180)	(163,482)
Income tax paid	(	92,993)	(86,177)
Net cash flows from operating activities		333,843	1,132,364

(Continued)

YEM CHIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021 (As restated)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost		(\$ 91,105)	\$ 7,099
Decrease (increase) in other receivables - related parties		1,373,182	(1,357,090)
Proceeds from disposal of investments accounted for using equity method - subsidiaries		-	(26,610)
Acquisition of investments accounted for using equity method		-	(8,000)
Acquisition of property, plant and equipment	6(29)	(59,448)	(68,552)
Proceeds from disposal of property, plant and equipment		95	12
Decrease in financial assets at fair value through profit or loss		86,196	34,661
Acquisition of financial assets at fair value through other comprehensive income		(923,599)	(1,166,444)
Proceeds from disposal of financial assets at fair value through other comprehensive income		1,141,612	1,317,224
Proceeds from disposal of non-current assets held for sale	6(11)	-	1,043,350
(Increase) decrease in other non-current assets		(2,582)	488
Net cash flows from (used in) investing activities		1,524,351	(223,862)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(30)	(1,256,500)	(427,741)
Increase in short-term notes and bills payable	6(30)	140,000	110,000
Decrease in other payables - related parties	6(30)	(355,000)	(597,817)
Proceeds from long-term borrowings	6(30)	1,174,000	3,506,958
Repayment of long-term borrowings	6(30)	(732,512)	(3,072,297)
Decrease in lease liabilities	6(30)	(1,282)	-
Payment of cash dividends	6(20)	(622,566)	(348,445)
Gains from exercise of disgorgement	6(19)	291	-
Net cash flows used in financing activities		(1,653,569)	(829,342)
Net increase in cash and cash equivalents		204,625	79,160
Cash and cash equivalents at beginning of year		353,576	274,416
Cash and cash equivalents at end of year		\$ 558,201	\$ 353,576

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

2022 INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS (consolidated financial statement)

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Yem Chio Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Yem Chio Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the 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. Based on our audits and the reports of other auditors, 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 judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Valuation of inventory

Description

Refer to Note 4(14) for accounting policy on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions applied on inventory valuation and Note 6(6) for details of inventories. As of December 31, 2022, the inventories and allowance for valuation loss amounted to NT\$8,697,636 thousand and NT\$138,405 thousand, respectively.

The Group is mainly engaged in the manufacture, processing, and sales of packaging materials, including BOPP film, adhesives and polystyrene sheets, as well as land development and construction. The Group's inventories are measured at the lower of cost and net realisable value, and an allowance for inventory valuation losses is provided based on the net realisable value and usable condition of individually identified obsolete or slow-moving inventories.

Considering that the Group's inventories and the allowance for inventory valuation losses are material to the financial statements and the determination of net realisable value for obsolete or slow-moving inventories involves judgements and estimates, we identified the valuation of inventory as a key audit matter.

How our audit addressed the matter

As the above key audit matter is applicable for different consolidated entities based on our audits and the reports of other auditors, we performed the following audit procedures on the above key audit matter:

1. Assessed and obtained an understanding of the provision policies in relation to the allowance for inventory valuation losses.

2. For packaging material business:

- (1) Obtained the net realisable value valuation report of inventories, assessed the calculation logic, verified the related records, and selected samples to check the source data of net realisable value.
- (2) Obtained the details of the individually identified obsolete or slow-moving inventories, reviewed the related supporting documents, and verified the records.
- (3) Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.

3. For land development and construction business:

Obtained the valuation data in relation to the net realisable value of inventories to ascertain whether the data source, assumptions and methods adopted by the Group are reasonable. Tested data in order to check the reasonableness of the net realisable value of construction-in-progress and land held for building.

Valuation of investment property

Description

Refer to Note 4(19) for accounting policy on investment property, Note 5(2) for uncertainty of accounting estimates and assumptions applied on fair value valuation and Note 6(11) for details of investment property. As of December 31, 2022, the fair value of investment property was NT\$2,251,475 thousand.

The Group's investment property is valued by external experts using the fair value model. Additionally, the Group's investment property is material to the financial statements. Given that the valuation process is subject to significant assumptions on discount rate and future lease income and has material effect on the fair value measurement, we considered the valuation of investment property as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the qualifications and independence of appointed external appraisers in accordance with the Group policy.
2. Reviewed whether the valuation method used in the appraisal report is consistent with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. For investment properties accounted for using the income approach, assessed whether the lease income and rental growth rate are reasonable by referencing to the market rental rate.

Other matter –Audits by other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$1,651,221 thousand and NT\$1,781,336 thousand, both constituting 6% of consolidated total assets as at December 31, 2022 and 2021, respectively, and net operating revenue amounted to NT\$1,524,718 thousand and NT\$1,651,276 thousand, both constituting 10% of consolidated total operating revenue for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Yem Chio Co., Ltd. as at and for the year ended December 31, 2022.

We have audited and expressed an unqualified opinion with other matter section dated March 25, 2022 on the parent company only financial statements of Yem Chio Co., Ltd. as at and for the year ended December 31, 2021. On December 1, 2022, the Company conducted a short-form merger with the subsidiary, Chuang-Yi Investment Co., Ltd. The Company retrospectively restated the parent company only financial statements as at and for the year ended December 31, 2021 as the subsidiary was considered as consolidated at the beginning in accordance with the Accounting Research and Development Foundation Interpretation 101-301. We have audited and expressed an unqualified opinion with other matter section and emphasis of matter section on the restated parent company only financial statements as at and for the year ended December 31, 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

7. 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.

8. 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.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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.
11. 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.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

1. 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 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 of the current period 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.

Lin, Yi-Fan

Chen, Ching Chang

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,163,330	7	\$ 1,756,534	6
1110	Financial assets at fair value through profit or loss - current	6(2)	464,745	2	290,269	1
1120	Financial assets at fair value through other comprehensive income - current	6(3) and 8	959,378	3	1,390,689	5
1136	Current financial assets at amortised cost	6(4) and 8	656,772	2	300,821	1
1150	Notes receivable, net	6(5)	298,140	1	370,345	1
1170	Accounts receivable, net	6(5), 7 and 8	2,074,306	7	2,872,052	9
1200	Other receivables		712,737	3	80,422	-
130X	Inventories, net	6(6) and 8	8,559,231	29	8,226,568	27
1410	Prepayments		493,091	2	518,778	2
1460	Non-current assets held for sale - net	6(13)(14)	-	-	1,783,926	6
1470	Other current assets	7	316,696	1	238,130	1
11XX	Total current assets		16,698,426	57	17,828,534	59
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	111,351	-	62,601	-
1535	Non-current financial assets at amortised cost	6(4) and 8	155,793	-	270,431	1
1550	Investments accounted for under equity method	6(7)	1,000,298	3	621,865	2
1600	Property, plant and equipment, net	6(8) and 8	8,538,954	29	8,537,930	28
1755	Right-of-use assets	6(9) and 8	342,724	1	299,277	1
1760	Investment property, net	6(11) and 8	2,251,475	8	2,203,498	7
1780	Intangible assets, net	6(12)	186,009	1	172,849	1
1840	Deferred income tax assets	6(30)	184,830	1	194,879	1
1900	Other non-current assets	8	48,548	-	96,430	-
15XX	Total non-current assets		12,819,982	43	12,459,760	41
1XXX	Total assets		\$ 29,518,408	100	\$ 30,288,294	100

(Continued)

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(15) and 8	\$ 4,582,817	16	\$ 6,761,518	22
2110	Short-term notes and bills payable	6(16)	730,000	2	640,000	2
2130	Current contract liabilities	6(25) and 7	739,884	3	635,234	2
2150	Notes payable		246,204	1	360,288	1
2170	Accounts payable		658,567	2	878,969	3
2200	Other payables		616,913	2	639,421	2
2220	Other payables - related parties	7	10,097	-	4,829	-
2230	Current income tax liabilities		187,092	1	197,081	1
2260	Liabilities directly related to non-current assets held for sale	6(13)	-	-	25,865	-
2280	Current lease liabilities		36,423	-	31,144	-
2320	Long-term liabilities, current portion	6(17)(19)(20) and 8	2,676,737	9	5,190,264	17
2399	Other current liabilities	6(18)	81,418	-	462,140	2
21XX	Total current liabilities		<u>10,566,152</u>	<u>36</u>	<u>15,826,753</u>	<u>52</u>
	Non-current liabilities					
2530	Corporate bonds payable	6(17)(19) and 8	411,777	1	196,047	1
2540	Long-term borrowings	6(17)(20) and 8	5,964,871	20	2,481,892	8
2570	Deferred income tax liabilities	6(30)	462,913	2	444,573	2
2580	Non-current lease liabilities		141,165	-	112,168	-
2600	Other non-current liabilities	6(21)	150,374	1	219,383	1
25XX	Total non-current liabilities		<u>7,131,100</u>	<u>24</u>	<u>3,454,063</u>	<u>12</u>
2XXX	Total liabilities		<u>17,697,252</u>	<u>60</u>	<u>19,280,816</u>	<u>64</u>
	Equity attributable to owners of parent					
	Share capital	6(22)				
3110	Common stock		6,404,897	22	6,380,540	21
3130	Certificate of entitlement to new shares from convertible bonds		10,000	-	2,333	-
	Capital surplus	6(23)				
3200	Capital surplus		2,638,722	9	2,384,602	8
	Retained earnings	6(24)				
3310	Legal reserve		467,875	1	359,243	1
3320	Special reserve		477,708	2	490,572	2
3350	Unappropriated retained earnings		1,549,179	5	1,256,999	4
	Other equity interest					
3400	Other equity interest		3,672	-	106,385	(1)
3500	Treasury stocks	6(22)	(414,345)	(1)	(414,345)	(1)
31XX	Equity attributable to owners of the parent		<u>11,137,708</u>	<u>38</u>	<u>10,353,559</u>	<u>34</u>
36XX	Non-controlling interest		<u>683,448</u>	<u>2</u>	<u>653,919</u>	<u>2</u>
3XXX	Total equity		<u>11,821,156</u>	<u>40</u>	<u>11,007,478</u>	<u>36</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 29,518,408</u>	<u>100</u>	<u>\$ 30,288,294</u>	<u>100</u>

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

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

Items		Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(25) and 7	\$ 14,671,393	100	\$ 17,181,794	100
5000	Operating costs	6(6)(29) and 7	(12,079,984)	(82)	(14,275,031)	(83)
5950	Net operating margin		2,591,409	18	2,906,763	17
	Operating expenses	6(29)				
6100	Selling expenses		(971,208)	(7)	(1,061,761)	(6)
6200	General and administrative expenses		(521,508)	(4)	(498,876)	(3)
6300	Research and development expenses		(35,763)	-	(38,578)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(12,665)	-	(3,649)	-
6000	Total operating expenses		(1,541,144)	(11)	(1,602,864)	(9)
6900	Operating profit		1,050,265	7	1,303,899	8
	Non-operating income and expenses					
7100	Interest income		8,685	-	5,045	-
7010	Other income	6(26) and 7	264,982	2	230,097	1
7020	Other gains and losses	6(27)	85,310	-	741,142	4
7050	Finance costs	6(28)	(166,833)	(1)	(187,314)	(1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	122,395	1	137,596	1
7000	Total non-operating income and expenses		314,539	2	926,566	5
7900	Profit before income tax		1,364,804	9	2,230,465	13
7950	Income tax expense	6(30)	(235,976)	(1)	(203,371)	(1)
8000	Profit for the year from continuing operations		1,128,828	8	2,027,094	12
8100	Loss from discontinued operations	6(13)(14)	(577)	-	(1,177,429)	(7)
8200	Profit for the year		\$ 1,128,251	8	\$ 849,665	5

(Continued)

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

				Year ended December 31			
				2022		2021	
Items		Notes	AMOUNT	%	AMOUNT	%	
Other comprehensive income							
Components of other comprehensive income that will not be reclassified to profit or loss							
8311	Actuarial gains on defined benefit plans	6(21)	\$ 48,128	-	\$ 15,983	-	
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(274,842)	(2)	363,807	2	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(9,625)	-	(3,196)	-	
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(236,339)	(2)	376,594	2	
Components of other comprehensive income that will be reclassified to profit or loss							
8361	Financial statements translation differences of foreign operations		310,752	2	(105,217)	(1)	
8367	Unrealised losses from investments in debt instruments measured at fair value through other comprehensive income	6(3)	(9,331)	-	(3,724)	-	
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		24,318	-	(3,550)	-	
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		325,739	2	(112,491)	(1)	
8300	Other comprehensive income for the year		<u>\$ 89,400</u>	<u>-</u>	<u>\$ 264,103</u>	<u>1</u>	
8500	Total comprehensive income for the year		<u>\$ 1,217,651</u>	<u>8</u>	<u>\$ 1,113,768</u>	<u>6</u>	
Profit (loss) attributable to:							
8610	Owners of the parent		\$ 1,037,826	7	\$ 867,762	5	
8620	Non-controlling interest		90,425	1	(18,097)	-	
			<u>\$ 1,128,251</u>	<u>8</u>	<u>\$ 849,665</u>	<u>5</u>	
Comprehensive income (loss) attributable to:							
8710	Owners of the parent		\$ 1,120,571	7	\$ 1,156,816	6	
8720	Non-controlling interest		97,080	1	(43,048)	-	
			<u>\$ 1,217,651</u>	<u>8</u>	<u>\$ 1,113,768</u>	<u>6</u>	
Earnings (loss) per share (in dollars) 6(31)							
Basic earnings (loss) per share							
9710	Basic earnings per share from continuing operations		\$ 1.72	\$ 3.38			
9720	Basic loss per share from discontinued operations		-	(1.91)			
9750	Basic earnings per share		<u>\$ 1.72</u>	<u>\$ 1.47</u>			
Diluted earnings (loss) per share							
9810	Diluted earnings per share from continuing operations		\$ 1.58	\$ 3.04			
9820	Diluted loss per share from discontinued operations		-	(1.72)			
9850	Diluted earnings per share		<u>\$ 1.58</u>	<u>\$ 1.32</u>			

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

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent													
	Capital			Retained Earnings			Other Equity Interest						
		Certificate of entitlement to new shares from convertible bond	Capital surplus			Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Treasury stocks	Total	Non-controlling interest	Total equity
Notes	Share capital - common stock			Legal reserve	Special reserve								
2021													
Balance at January 1, 2021	\$ 5,700,402	\$ 150,076	\$ 2,592,442	\$ 279,187	\$ 637,634	\$ 800,561	(\$ 536,781)	(\$ 79,674)	\$ 439,576	(\$ 562,488)	\$ 9,420,935	\$ 555,858	\$ 9,976,793
Profit for the year	-	-	-	-	-	867,762	-	-	-	-	867,762	(18,097)	849,665
Other comprehensive income (loss) for the year	-	-	-	-	-	12,787	(105,221)	381,488	-	-	289,054	(24,951)	264,103
Total comprehensive income (loss)	-	-	-	-	-	880,549	(105,221)	381,488	-	-	1,156,816	(43,048)	1,113,768
Appropriations and distribution of retained earnings for6(24) the year ended December 31, 2020													
Cash dividends	-	-	-	-	-	(348,445)	-	-	-	-	(348,445)	-	(348,445)
Stock dividends	348,445	-	-	-	-	(348,445)	-	-	-	-	-	-	-
Legal reserve	-	-	-	80,056	-	(80,056)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(147,062)	147,062	-	-	-	-	-	-	-
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	205,773	-	(205,773)	-	-	-	-	-
Changes in ownership interests in subsidiaries	6(23)	-	(1,929)	-	-	-	-	-	-	-	(1,929)	-	(1,929)
Disposal of treasury shares by subsidiaries	6(22)	-	-	-	-	-	-	-	-	8,870	8,870	-	8,870
Cancellation of treasury stocks	6(22)(23)	(93,800)	(45,473)	-	-	-	-	-	-	139,273	-	-	-
Conversion of convertible bonds	6(22)(23)	-	277,750	72,503	-	-	-	-	-	-	350,253	-	350,253
Conversion of certificates of bonds-to-share		425,493	(425,493)	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(23)(32)	-	(243,740)	-	-	-	-	-	-	-	(243,740)	243,740	-
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	6(23)	-	10,799	-	-	-	-	-	-	-	10,799	-	10,799
Decrease in non-controlling interest		-	-	-	-	-	-	-	-	-	-	(102,631)	(102,631)
Balance at December 31, 2021	<u>\$ 6,380,540</u>	<u>\$ 2,333</u>	<u>\$ 2,384,602</u>	<u>\$ 359,243</u>	<u>\$ 490,572</u>	<u>\$ 1,256,999</u>	<u>(\$ 642,002)</u>	<u>\$ 96,041</u>	<u>\$ 439,576</u>	<u>(\$ 414,345)</u>	<u>\$ 10,353,559</u>	<u>\$ 653,919</u>	<u>\$ 11,007,478</u>
2022													
Balance at January 1, 2022	\$ 6,380,540	\$ 2,333	\$ 2,384,602	\$ 359,243	\$ 490,572	\$ 1,256,999	(\$ 642,002)	\$ 96,041	\$ 439,576	(\$ 414,345)	\$ 10,353,559	\$ 653,919	\$ 11,007,478
Profit for the year	-	-	-	-	-	1,037,826	-	-	-	-	1,037,826	90,425	1,128,251
Other comprehensive income (loss) for the year	-	-	-	-	-	38,503	328,415	(284,173)	-	-	82,745	6,655	89,400
Total comprehensive income (loss)	-	-	-	-	-	1,076,329	328,415	(284,173)	-	-	1,120,571	97,080	1,217,651
Appropriations and distribution of retained earnings for6(24) the year ended December 31, 2021													
Cash dividends	-	-	-	-	-	(622,566)	-	-	-	-	(622,566)	-	(622,566)
Legal reserve	-	-	-	108,632	-	(108,632)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(12,864)	12,864	-	-	-	-	-	-	-
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	(65,815)	-	65,815	-	-	-	-	-
Adjustments recognised not based on the shareholding ratio	6(7)(23)	-	232,209	-	-	-	-	-	-	-	232,209	-	232,209
Changes in ownership interests in subsidiaries	6(23)	-	(17)	-	-	-	-	-	-	-	(17)	-	(17)
Conversion of convertible bonds	6(22)(23)	-	32,024	3,214	-	-	-	-	-	-	35,238	-	35,238
Conversion of certificates of bonds-to-share		24,357	(24,357)	-	-	-	-	-	-	-	-	-	-
Subsidiaries holding the Company's stocks are regarded as treasury stocks and receive cash dividends	6(23)	-	18,423	-	-	-	-	-	-	-	18,423	-	18,423
Gains from exercise of disgorgement	6(23)	-	291	-	-	-	-	-	-	-	291	-	291
Decrease in non-controlling interest		-	-	-	-	-	-	-	-	-	-	(67,551)	(67,551)
Balance at December 31, 2022	<u>\$ 6,404,897</u>	<u>\$ 10,000</u>	<u>\$ 2,638,722</u>	<u>\$ 467,875</u>	<u>\$ 477,708</u>	<u>\$ 1,549,179</u>	<u>(\$ 313,587)</u>	<u>(\$ 122,317)</u>	<u>\$ 439,576</u>	<u>(\$ 414,345)</u>	<u>\$ 11,137,708</u>	<u>\$ 683,448</u>	<u>\$ 11,821,156</u>

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

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		\$ 1,364,804	\$ 2,230,465
Loss from discontinued operations before tax		(577)	(1,177,429)
Profit before tax		1,364,227	1,053,036
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss	6(2)(27)	75,791 (	24,174)
Expected credit impairment loss	12(2)	12,665	3,649
Gain on disposal of non-current assets held for sale	6(13)(27)	(57,204 ) (	851,666)
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(122,395 ) (	137,596)
Depreciation	6(8)(9)(29)	584,363	640,635
Loss on disposal of property, plant and equipment	6(27)	288	1,823
Loss on write-off of property, plant and equipment	6(8)(27)	10	22,978
Impairment loss on non-current assets classified as held for sale	6(14)(27)	-	844,535
Prepayments reclassified to (gain) loss	6(27)	(78,313)	255,352
(Gain) loss on fair value adjustment of investment property	6(11)(27)	(39,610)	2,681
Amortization	6(12)(29)	4,820	10,008
Employees' compensation	6(29)	5,575	5,576
Interest income		(8,685 ) (	5,045)
Dividend income	6(26)	(137,065 ) (	89,059)
Loss (gain) on disposal of investments in subsidiaries		2,332 (	7,712)
Interest expense	6(28)	166,833	202,548
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		72,205 (	41,246)
Accounts receivable, net		785,081 (	574,703)
Other receivables		8,355	53,077
Inventories		(229,666 ) (	1,180,304)
Prepayments		25,687	25,888
Other current assets		(78,566 ) (	43,850)
Changes in operating liabilities			
Current contract liabilities		104,650	155,879
Notes payable		(114,084)	65,163
Accounts payable		(220,402)	83,567
Other payables		(23,957 ) (	139,571)
Other current liabilities		(2,658)	1,666
Other non-current liabilities		(15,411 ) (	37,775)
Cash inflow generated from operations		2,084,866	295,360
Interest received		8,849	3,839
Dividends received		137,035	89,053
Interest paid		(251,069 ) (	269,970)
Income tax paid		(232,533 ) (	212,669)
Net cash flows from (used in) operating activities		1,747,148	94,387

(Continued)

YEM CHIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 2,121,808)	(\$ 2,665,434)
Proceeds from disposal of financial assets at fair value through profit or loss		1,875,320	2,820,161
Acquisition of financial assets at fair value through other comprehensive income		(1,130,315)	(1,174,950)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	1,224,698	1,325,800
(Increase) decrease in financial assets at amortised cost		(241,313)	91,096
Proceeds from disposal of non-current assets held for sale		-	1,043,350
Acquisition of property, plant and equipment	6(33)	(461,582)	(342,000)
Proceeds from disposal of property, plant and equipment		622	800
Decrease (increase) in other non-current assets		59,943	(45,207)
Acquisition of investments accounted for using equity method		(21,193)	(27,862)
Decrease in liabilities directly related to non-current assets held for sale		(11,689)	(34,917)
Increase in other current liabilities		935,058	432,282
Increase in other non-current liabilities		776	1,332
Net cash flows from investing activities		<u>108,517</u>	<u>1,424,451</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(34)	(2,238,046)	393,168
Increase in short-term notes and bills payable	6(34)	90,000	160,000
Proceeds from long-term borrowings	6(34)	4,182,901	3,958,639
Repayment of long-term borrowings	6(34)	(2,975,098)	(5,195,019)
Decrease in lease liabilities	6(34)	(39,350)	(28,010)
Payment of cash dividends	6(24)	(622,566)	(348,445)
Change in non-controlling interest		22,001	(108,238)
Proceeds from disposal of treasury shares by subsidiaries		-	8,870
Gains from exercise of disgorgement	6(23)	291	-
Net cash flows used in financing activities		<u>(1,579,867)</u>	<u>(1,159,035)</u>
Effect of exchange rate fluctuations on cash and cash equivalents		<u>130,998</u>	<u>(63,289)</u>
Net increase in cash and cash equivalents		406,796	107,740
Cash and cash equivalents at beginning of year		<u>1,756,534</u>	<u>1,648,794</u>
Cash and cash equivalents at end of year		\$ 2,163,330	\$ 1,756,534

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



Articles of Incorporation

Chapter 1: General Provisions

Article 1

The Corporation is a company limited by shares and incorporated in accordance with the Company Act, under the Chinese name 炎洲股份有限公司 and English name YEM CHIO CO., LTD.

Article 2

The Company's business scope covers the following:

1. C802160 Manufacture of Adhesive Tapes
2. CA02990 Manufacture of Other Fabricated Metal Products Not Elsewhere Classified
3. C805010 Manufacture of Plastic Sheets, Pipes and Tubes
4. C805020 Manufacture of Plastic Films and Bags
5. C601040 Manufacture of Processed Paper
6. F109070 Wholesale of Cultural, Educational, Musical Instruments and Educational Entertainment Supplies
7. F107190 Wholesale of Plastic Films and Bags
8. F113050 Wholesale of Computers and Office Machines/Equipment
9. F401010 International Trade
10. H701010 Housing and Building Development and Rental
11. J901020 Hotels and Motels
12. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3

The Company shall have its head office in Taipei City and may establish domestic and overseas branches as required through board resolutions.

Article 4

Any and all public disclosures to be made by the Company shall be published in accordance with Article 28 of Company Act and SEC regulations.

The Company shall comply with these Regulations when making loans and endorsements/guarantees for others.

When the Company becomes a shareholder in a limited liability company after reinvestment, the total amount of its investments in such company shall not exceed forty percent of the amount of its own paid-up capital.

Chapter 2: Shares

Article 5

The total capital of the company is set at NT\$10 billion, divided into one billion shares.

The amount per share is NT\$10, and the Board of Directors is authorized to issue the shares in installments according to operational requirements.

Upon execution of the said agreement, NT\$40 million is retained for the issuance of employee stock subscription warrants. There are a total of 400 million shares at NT\$10 per share, which may be issued in installments in accordance with the resolution of the Board of Directors.

Article 5-1

The Company, which intends to repurchase its own shares and transfer shares to employees at less than the average actual share repurchase price, must have obtained the consent of at least two-thirds of the voting rights at the most recent shareholders' meeting attended by shareholders representing a majority of total issued shares. Such action can be processed after the aforementioned consent resolution.

Article 6

All Company shares are registered shares and the share certificates shall be affixed with the signatures or personal seals of directors representing the company, and shall be duly certified or authenticated by the bank authorized to certify shares under the law before issuance. For shares to be issued, the issuing company may be exempted from printing any share certificate; in that case, it should register the issued shares with a centralized securities depositary enterprise and follow the regulations of that enterprise.

Article 7

The entries in its shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date set by the issuing company for distribution of dividends, bonuses or other benefits.

Chapter 3: Shareholders' Meeting

Article 8

There are two kinds of shareholders' meeting: (1) Regular meeting of shareholders to be held at least once a year and convened within six months after the close of each fiscal year, (2) Special meeting of shareholders to be held when necessary

The company shall issue a notice convening a regular shareholders' meeting to each shareholder no later than 30 days prior to the scheduled meeting date. In case the Company intends to convene a special shareholders' meeting, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. The date, place, cause(s) or subject(s) of the shareholders' meeting shall be indicated in the individual notice. The notice may, as an alternative, be sent electronically after obtaining prior consent from the recipient(s). The Company shall issue a public notice to shareholders holding less than one thousand registered shares.

Article 8-1

The Company's shareholders meeting can be held by means of visual communication network or other methods promulgated by Ministry of Economic Affairs.

Article 9

Any shareholder who cannot attend a shareholders' meeting for any reason may appoint a proxy to attend the meeting on his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. Such written proxy to the company shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" unless otherwise specified in Article 177 of the Company Act.

Article 10

Except restricted or as stipulated in Article 179-2 of the Company Act regarding no voting power, a shareholder shall have one voting power with respect to each share held.

Article 11

Resolutions at a shareholders' meeting shall, unless otherwise stipulated in the Article of Incorporation, be adopted by majority vote of all shareholders present, representing more than one-half of the total number of voting shares.

Article 11-1

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting in accordance with Article 183 of the Company Act.

Chapter 4: Directors

Article 12

The Company shall have 5 to 7 directors with a three-year term of office and elected through a candidate nomination system pursuant to Article 192-1 of the Company Act. The shareholders shall elect the directors from among the nominees listed in the roster of director-candidates and those eligible for re-election. The total shares of nominal stocks held by the entire body of either directors or supervisors of an issuer shall not be less than the specified percentage of its total issued shares. In accordance with Article 14-2 and Article 183 of the Securities and Exchange Act, there should be no less than 3 independent directors elected from among the directors specified in the previous Article, and the nomination method shall be conducted in accordance with Article 192-1 of the Company Act. The directors shall be elected by shareholders from among the nominees listed in the roster of independent director-candidates and those eligible for re-election.

Article 12-1

In compliance with Articles 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee composed of all independent directors. The provisions in the Company Act, Securities and Exchange Act and other laws and regulations pertaining to supervisors shall apply *mutatis mutandis* to the Audit Committee and members.

Article 13

The Board of Directors shall elect a chairman from among the directors by a majority vote of over two-thirds of directors attending the meeting. The chairman shall externally represent the Company and conduct all business affairs in accordance with the law and regulations, as well as resolutions passed at the Shareholders' Meeting and Board Meetings.

Article 14

In case the chairman of the Board of Directors is on leave or absent or unable to exercise his/her power and authority for any reason, the substitute is assigned according to regulations of Article 208 of the Company Act.

Article 14-1

In case a director is on leave or absent or unable to exercise his/her power and authority for any reason and appoints another director to attend the board of directors' meeting on his/her behalf, he/she shall, shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept an appointment to act as proxy for one director only, as specified in the preceding paragraph. The Board of Directors' meeting shall be convened with a notice given to each director in writing or by fax/email.

Article 15

All board members conducting the Company's business affairs shall be compensated based on the amount not exceeding 1% of the total net profit after tax of the preceding year. The compensation is determined by the Board of Directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the same industry.

Chapter 5: Manager

Article 16

The company may have one or more managerial personnel; appointment, discharge and remuneration of managerial personnel shall be decided in accordance with Article 29 of the Company Act.

Chapter 6: Accounting

Article 17

At the close of each fiscal year, the Board of Directors shall prepare the statements and records, i.e., (1) the business report, (2) financial statements, and (3) surplus earning distribution or loss offset proposals; and shall forward the same to supervisors for ratification at the general shareholders' meeting.

Article 18

A ratio of the profit for the current year distributable as employee compensation shall be specified at no less than 0.5%. However, the company's accumulated losses should be covered and the amount of compensation shall firstly be retained for impairment loss, and afterwards, employees' compensation shall be allocated based on preceding percentage..

A company may, through a resolution adopted by a majority vote at a Board of Directors' meeting attended by two-thirds of the total number of directors, facilitate profit-sharing for employees and report such program at the shareholders' meeting.

Qualification requirements of employees, including employees of the parent company or subsidiaries to be eligible for profit-sharing in the form of shares or cash, shall be discussed at the Board of Directors' meeting.

Article 19

The Company, when allocating its surplus (profit) after having paid all taxes and duties, shall first set aside ten percent of the said profit as legal reserve and the remaining profit as special reserve in accordance with Article 41 of the Securities and Exchange Act. Aside from the aforesaid legal reserve, the company may, under its Articles of Incorporation or by means of a shareholders' resolution, allocate a certain amount as special reserve. At the same Board of Directors' meeting, the Company may resolve to distribute the shares by issuing new shares or shares in the form of cash in compliance with Article 19-2 of the regulations.

When there is no purpose or reason for the preceding allocated special reserve, a certain proportion of the earnings shall be set aside as special reserve in accordance with the Articles of Incorporation, to be adopted as distributed earnings when reversal of the special reserve is added into the undistributed earnings.

Article 19-1

The industrial development of the Company is mature and steadily profitable, and financial structure is complete, so the company adopt a constant dividend policy. When allocating its surplus (profit), the Company shall first set aside legal and special reserves, with the balance distributed as stock dividends or cash dividends. The ratio of dividends paid in cash shall be set at 10% or more of common stock dividends.

Article 19-2

The Board of Directors is authorized to determine the allocation procedures for surplus and capital reserve distributed in cash or as stock dividends; such special resolution shall be submitted to the Board of Directors.

Chapter 7 Appendix

Article 20

With regard to all matters not specified in these Articles of Incorporation, the Company Act and relevant laws and regulations shall apply.

Article 21

These Articles of Incorporation were established on February 13, 1978.

The 1st amendment was made on October 13, 1979.

The 2nd amendment was made on October 30, 1981.

The 3rd amendment was made on May 20, 1987.

The 4th amendment was made on June 29, 1987.

The 5th amendment was made on December 1, 1988.

The 6th amendment was made on September 30, 1989.

The 7th amendment was made on July 21, 1990.

The 8th amendment was made on May 6, 1991.

The 9th amendment was made on March 23, 1992.

The 10th amendment was made on April 10, 1992.

The 11th amendment was made on May 20, 1993.

The 12th amendment was made on July 1, 1994.

The 13th amendment was made on May 4, 1995.

The 14th amendment was made on August 20, 1996.

The 15th amendment was made on March 19, 1997.

The 16th amendment was made on August 26, 1997.

The 17th amendment was made on December 23, 1997.

The 18th amendment was made on March 12, 1998.

The 19th amendment was made on June 22, 1998.

The 20th amendment was made on October 20, 1998.

The 21st amendment was made on December 10, 1998.

The 22nd amendment was made on May 30, 1999.

The 23rd amendment was made on June 10, 2000.

The 24th amendment was made on May 5, 2001.

The 25th amendment was made on June 22, 2002.

The 26th amendment was made on May 31, 2003.

The 27th amendment was made on May 15, 2004.

The 28th amendment was made on May 6, 2006.

The 29th amendment was made on May 12, 2007.

The 30th amendment was made on June 13, 2008.

The 31st amendment was made on June 19, 2009.

The 32nd amendment was made on June 25, 2010.

The 33rd amendment was made on June 24, 2011.

The 34th amendment was made on June 27, 2012.

The 35th amendment was made on June 28, 2013.

The 36th amendment was made on June 26, 2015.

The 37th amendment was made on June 28, 2016.

The 38th amendment was made on June 28, 2017.

The 39th amendment was made on June 26, 2018.

The 40th amendment was made on June 20, 2019.

The 41st amendment was made on June 19, 2020.

The 42nd amendment was made on July 7, 2021.

The 43rd Amendment was made on June 17th, 2022



YEM CHIO CO., LTD.

Rules and Procedures of Shareholders' Meeting

June 27, 2012

Approved for amendment by shareholders' meeting

1. The Company's Shareholders' Meeting (the "Meeting") shall be conducted in accordance with the Rules and Procedures.
2. The shareholders in the Rules and Procedures refer to shareholders and proxy assigned by shareholders as their representatives in the shareholders' roster.
3. The shareholders (or proxy) attending the meeting should complete the sign-in procedures, or may present an attendance card in lieu of signing the attendance book. The number of shares representing shareholders present at the meeting shall be calculated based on those indicated on the attendance book or attendance cards. The shareholders present in a shareholders' meeting and their voting rights shall be calculated based on the number of shares. The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders' meeting.
4. The chair shall call the meeting to order at the appointed time when the shareholders in attendance represent a majority of the total number of issued shares. However, if the shareholders present do not represent a majority of the total number of issued shares, the chair may announce a postponement, but not more than twice, for a combined total of at least one hour. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the shareholders in attendance represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175 of the Company Act wherein the shareholders in attendance represent a majority of the total voting rights. When, prior to the conclusion of the meeting, the shareholders in attendance represent a majority of the total number of issued shares, the chair may call a meeting to order any time, and resubmit the tentative resolution for a vote at the shareholders' meeting.
5. If a shareholders' meeting is convened by the Board of Directors, a meeting agenda shall also be set. The meeting shall proceed according to the agenda, which may not be changed without a shareholders' resolution.

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 chair may not declare the meeting adjourned prior to completing deliberation on the meeting agenda stated in the preceding two paragraphs (including extraordinary motions), with the exception of a shareholders' resolution. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly facilitate the election of a new chair by a majority of the votes represented by shareholders present, and then continue with the meeting. After concluding the meeting, the shareholders shall not elect another chairman to hold another meeting at the same place or any other venue.

- 5.1. If a shareholders' meeting is convened by the Board of Directors, the chairperson of the board shall preside over the meeting. When the chairperson of the board is on leave or for any reason, is unable to exercise his/her powers as chairperson, the vice chairperson shall act as chair on his/her behalf; if the chairperson and the vice chairperson are both on leave or for any reason, are unable to preside over the meeting, the chairperson shall appoint one of the directors to act as chair, or, if 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 convening parties, they shall mutually select a chair from among themselves.

6. Before speaking, a shareholder in attendance must specify on a speaker's slip the subject of his/her speech, as well as shareholder account number (or attendance card number) and account name. The order in which shareholders speak shall be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When a

- 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.
7. When a shareholder is speaking, a single speech may not exceed 5 minutes. Except with the consent of the chair, the speech can be postponed for another three minutes, but not more than twice.
 8. A shareholder may not speak more than twice on the same proposal, and if the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may stop the speech.
 9. After a shareholder's speech, the chairman may personally designate a person to respond on his/her behalf. When the chairman considers a discussion before any motion for resolution, he or she may announce the suspension of the discussion and submit the motion for resolution.
 10. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative majority vote represented by shareholders in attendance. The resolution shall be deemed approved and voted on by the Board with all directors present at the meeting, without raising any objection when the Chairperson releases relevant resolutions for approval.
 - 10.1 The persons who supervise the casting of votes and counting thereof of resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. The results of the resolution(s) shall be announced at the meeting and recorded in the meeting minutes.
 - 10.2 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one of them is passed, the other proposals shall be deemed rejected and no further voting is required.
 - 10.3 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes and conducted in accordance with Article 183 of the Company Act.
 11. A shareholder shall have one voting power with respect to each share he/she/it holds. When the government or juristic person is a shareholder, its proxy shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds. In case the aforesaid proxies are two persons or more, they shall jointly exercise their voting rights.
 12. A shareholder may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney stating therein the scope of power granted to the proxy. A shareholder may only execute one power of attorney and appoint one proxy, issuing such written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail, unless an explicit statement revoking the previous written proxy is made later on.

After executing the power of attorney, the shareholder issuing the said proxy then decides to attend the shareholders' meeting in person, a proxy rescission notice should be filed with the company at least 1 day prior to the date of the shareholders' meeting so as to rescind the proxy; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Except for trust enterprises or stock agencies approved by the competent authority, the number of voting power of a person who acts as proxy for two or more shareholders shall not exceed 3% of the total number of voting shares of the company; otherwise, the extra voting power shall not be counted.

13. A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall neither vote nor exercise his/her voting right on behalf of another shareholder.
14. When a meeting is in progress, the chair may announce a break based on time considerations.
15. Under any circumstances, if a shareholders' meeting cannot be held or motions cannot be continued, the Board of Directors can have the meeting suspended in 5 days or resumed in accordance with Article 182 of the Company Act to.
- 15-1. When a shareholder violates the rules of procedure and defies the chair's warning, obstructing the proceedings and refusing to heed calls to stop, the chair may direct proctors or security personnel to escort the shareholder out of the meeting venue. While maintaining order during the meeting, proctors or security personnel shall wear identification armbands bearing the word "Proctor."
16. Any matter not provided in the Rules and Procedures shall be handled in accordance with the Company Act, Articles of Incorporation and any other relevant laws and regulations.
17. These Rules and Procedures shall be effective from the date of shareholders' approval. The same rules apply to revisions.

YEM CHIO CO., LTD.

Procedures for Election of director

June 26, 2018

Amendments approved by the shareholders meeting

Article 1

Except as otherwise provided by law and regulation or by the Corporation's articles of incorporation, elections of directors of the Company shall be conducted in accordance with these Procedures.

Article 2

Elections of directors of the Company shall be conducted at the shareholders' meeting.

Article 3

The method of elections of directors of the Company is single-registered cumulative election.

Article 4

If the company has independent directors, the election of independent directors shall be limited to legal persons or their representatives not specified in Article 27 of the Company Act, shall comply with the regulations of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

Article 5

The board of directors of the company shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a director is three years, but he/she may be eligible for re-election. There shall be more than half of the directors, and there shall be at least one director, and shall not have one of the following relationships:

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

Article 6

Each share will have voting rights in number equal to the directors to be elected.

Article 7

The number of directors will be as specified in the Company's articles of incorporation. If there are independent directors, the independent directors and non-independent directors shall be elected together with voting rights separately calculated. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to 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. When the original selectees of director do not meet the conditions of the Article 5-2 of the procedures, determination of which directors are elected shall be made according to the following

provisions: When there are some among the directors who do not meet the conditions, the election of the director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.

Independent directors and non-independent directors shall be elected at the same time, and independent directors and non-independent directors shall be calculated separately when elected.

Article 8

The Company shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9

Before the election begins, the chair needs to appoint several vote monitoring personnel and counting personnel to perform the respective duties of vote monitoring and counting. The vote monitoring personnel shall with shareholder status.

Article 10

For the election of directors, the ballot boxes shall be prepared by the company and elect together, and publicly checked by the vote monitoring personnel before voting commences.

Article 11

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 12

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Company.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other marks or graphics are entered in addition to the candidate's account name (or name of the person) or shareholder account number (or identity card number) and the number of

voting rights allotted.

6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

7. The ballots that have not been put into the ballot box.

8. The number of candidates filled in exceeds the specified quota.

9. Matters that should be recorded in Article 9 but are not fully recorded.

10. The total number of voting rights to vote by the voting shareholders exceeds the total number of voting rights held.

Article 13

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation and the list of persons elected shall be announced by the chair on the site.

Article 14

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

Attachment VIII

Shareholdings of All Directors

YEM CHIO CO., LTD
Shareholdings of All Directors

1. The paid-in capital stock of the Company is NT\$6,509,896,230 and the total number of issued shares are 650,989,623 shares.
2. Pursuant to Article 26 in the Securities and Exchange Act, the minimum shareholdings by all board directors shall be 20,831,668 shares. The Company has set up an Audit Committee in accordance with the Act, and the provisions on the minimum percentage requirements for the shareholdings of supervisors in the preceding two paragraphs shall not apply.
3. As of the book closure date reported at the shareholders' meeting (April 18, 2023), the number of shares held by directors individually and by the entire body thereof, recorded in the shareholder register are as follows:

Title	Name	Shareholding s o closing date	Percentage %
Chairman	INGS CHYUANG INTERNATIONAL CO., LTD. Chairman: Chih-Hsieh Lee	42,748,839	6.57%
Director	ASIA PLASTICS CO., LTD. : Lin, Si-Shan	52,974,405	8.14%
Independent Director	Chen, Yen-Chun	0	0%
Independent Director	Wang, Chien-Chuan	0	0%
Independent Director	Chen, Shun-Fa	0	0%
	Total	95,723,244	14.71%

Note: In compliance with Article 2: “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies”. If a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors other than independent directors, shall be decreased by 20 percent.