

PANJIT International Inc.

2023 Annual Shareholders' Meeting Meeting Handbook

Convening Method: Physical Shareholders Meeting

Time: 9:00AM, June 14, 2023 (Wednesday)

Location: 9F., No. 266, Chenggong 1st Rd., Qianjin Dist.,

Kaohsiung City (Jin-Yin Room of Grand Hi-Lai Hotel)

----- Notice to Readers -----

This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistency between the Chinese original and this translation, the Chinese version shall prevail.

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PANJIT International Inc.

Procedure for 2023 Annual General Meeting of
Shareholders

1. Call the Meeting to Order
2. Chairperson Remarks
3. Management Presentation
4. Approvals
5. Matters for Election
6. Other Motions
7. Extraordinary Motions
8. Adjournment

PANJIT International Inc.

Agenda of 2023 Annual General Meeting of Shareholders

- I. Time: 9:00 AM, June 14, 2023 (Wednesday)
2. Location: 9F., No. 266, Chenggong 1st Rd., Qianjin Dist., Kaohsiung City (Jin-Yin Room of Grand Hi-Lai Hotel)
3. Commencement of the Meeting
4. Chairman's Statement
5. Matters to Report:
 - (1) To report the 2022 Business Report and 2023 Business Plan.
 - (2) To report the Audit Committee's Review Report on 2022 Financial Statements.
 - (3) To report the 2022 Employees' compensation and Directors' Remuneration.
 - (4) To report the 2022 Cash Dividend Distribution.
 - (5) To report the 2022 Endorsements and Guarantees.
 - (6) To report the Execution of Cash Capital Increase for Private Common Stock.
 - (7) To report the Implementation Status of Treasury Stock.
6. Matters for Approval:
 - (1) To approve the 2022 Business Report and Financial Statements.
 - (2) To approve the 2022 Earnings Distribution Proposal.
7. Matters for Election

To elect directors of the Company.
8. Other Motions

To release the Non - compete Restriction on Directors and Representatives.
9. Ad Hoc Motions
10. Meeting Adjourned

Matters to Report

1. For the 2022 Business Report and 2023 Business Plan, please refer to [Annex 1].
2. For the Audit Committee's Review Report on 2022 Financial Statements, please refer to [Annex 2].
3. To report the 2022 Employees' compensation and Directors' Remuneration.
In accordance with the provisions of Article 19 of the Company's Articles of Incorporation "In the event that the Company makes a profit in a year, it shall contribute not less than 6% to employees' compensation and not more than 2% to directors' remuneration.", after deducting the reserved offsetting amount for 2022, the profit was NT\$2,113,459,388. It is proposed to allocate 1.66% for director remuneration, totaling NT\$35,000,000, and 6.5% for employee compensation, totaling NT\$137,375,000. All payments will be made in cash.
4. To report the 2022 Cash Dividend Distribution.
 - (1) According to the first paragraph of Article 19-1 of the Articles of Association, the Board of Directors shall draft a surplus distribution proposal, and report to the shareholders meeting after the resolution of the Board of Directors in accordance with the second paragraph of the same article.
 - (2) The Company has decided to distribute shareholder dividends of NT\$3 per share, all of which will be paid in cash, with a total amount of NT\$1,146,344,781.
 - (3) The Board of Directors authorized the Chairman to set the ex-dividend base date for issuance. The current cash dividends are calculated by rounding down to the whole NT one dollar; the fractional amounts are aggregated and recorded as the Company's other income.
 - (4) If the number of outstanding shares is affected by the purchase or transfer of treasury stocks or other factors, the Board of Directors authorizes the Chairman for sole discretion and adjustments.

5. To report the 2022 Endorsements and Guarantees

As of December 31, 2022, the Company's endorsements and guarantees provided are as follows:

Units: NT\$ thousands

Subject of endorsements/ guarantees	The highest outstanding amount till the end of the month	Outstanding endorsements and guarantees at the end of the period	Actual amount used
Company name			
PAN-JIT ASIA International Inc.,	4,951,780	2,456,800	2,456,800
Total		2,456,800	

6. To report the Execution of Cash Capital Increase for Private Common Stock.

- (1) In the General meeting of shareholders held on June 14, 2022, the Company authorized the board of directors to resolve proposal for a cash capital increase through private placement to issue no more than 38,000 thousand common shares; the shares will be issued one or two times within one year to complete the capital increase from the date of the resolution of the shareholders' meeting.
- (2) The aforementioned proposal for private placement of common shares expired on June 13, 2023. The Company's board of directors approved on March 10, 2023 that the private placement common shares that were not completed within the deadline will be suspended from June 13, 2023.

7. To report the Implementation Status of Treasury Stock.

Unit: NT\$

Buyback terms	The 13th term
Buyback purpose	Transfer of shares to employees
Date of resolution of the Board of Directors	2020/3/23
Buyback time	March 24 to May 23, 2020
Buyback prices	NT\$10.54-34.50
Original expected repurchase quantity	Common stock: 10,000,000 shares
Type and quantity of shares bought back	Common stock: 700,000 shares
The upper limit of the total amount of shares originally expected to be repurchased	NT\$2,487,828,575
Amount of shares bought back	NT\$16,507,418
Average repurchase price per share	NT\$23.58
Number of shares canceled and transferred (Note 1)	0 shares
The cumulative number of shares held in the Company	700,000 shares
Price of transfer to employees	NT\$23.58 per share
Ratio of the cumulative number of shares held by the Company to the total number of shares issued (Note 2) (%)	0.21%
Reason for incomplete execution	In order to protect the interests of all shareholders and to take into account the market mechanism, the shares should be repurchased in installments within the price range depending on the changes in the share price, so it has not been fully implemented.

Note: 1. The Company's board of directors approved the cancellation of 700,000 treasury shares that have not been transferred on May 9, 2023. As of the publication date of this Handbook, the cancellation process has not been completed. The actual cancellation implementation will be supplemented by the regular shareholders' meeting.

2. The total number of shares issued is based on the total number of shares issued by the Company as of the expiration of the repurchase period.

Matters for Approval

Proposal 1: Board of Directors' proposal

Proposal: To approve the 2022 Business Report and Financial Statements.

Explanation: 1. The Company's 2022 Business Report (please refer to [Annex 1]), Parent Company Only Financial Statements and Consolidated Financial Statements (please refer to [Annex 3] and [Annex 4]) have been audited by CPA CHEN, ZHENG-CHU, and FU, WEN-FANG of Ernst & Young, which are considered to be sufficient to adequately represent the Company's financial status as of December 31, 2022, and FY 2022 operating results and cash flow.

2. The above-mentioned final statements have been sent to the Audit Committee for review, and it is deemed to be without discrepancy.

3. Please approve.

Resolutions:

Proposal 2: Board of Directors' proposal

Proposal: To approve the 2022 Earnings Distribution Proposal.

Explanation: 1. The Company's Earnings Distribution Chart, please refer to [Annex 5].

2. The Company's 2022 Net Income of NT\$1,757,631,113, plus the opening undistributed earnings of NT\$880,693,305, NT\$36,787,282 of difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed, and disposal of investments in equity instruments measured at fair value through other comprehensive income of NT\$420,435,084 and 2022 other comprehensive income (re-measurement of defined benefit plan) of NT\$ 21,174,438, the total earnings available for distribution is NT\$3,116,721,222. Excluding the legal reserve of NT\$223,602,792, it is proposed to distribute a dividend of NT\$3 per share to shareholders.

All payments will be made in cash, with a total amount of
NT\$1,146,344,781.

3. The above-mentioned earnings disposition has been sent to the Audit Committee for review, and it is deemed to be without discrepancy.
4. Please approve.

Resolutions:

Matters for Election

Proposed by the Board of Directors

Proposal: To elect directors of the Company.

- Explanation:
1. As the term of office of the current directors will expire on June 11, 2023, it is intended to elect all directors at this regular shareholders' meeting.
 2. In accordance with the Company's Articles of Association, the Company shall have seven to eleven directors, with no less than three independent directors and no less than one-fifth of the total number of directors.
 3. Ten directors (including four independent directors) are proposed to be elected for a term of three years from June 14, 2023 to June 13, 2026, and will take office immediately after the shareholders' meeting.
 4. The election of directors follows the candidate nomination system. The shareholders shall elect directors and independent directors from the list of director candidates.
 5. The list of candidates for directors (including independent directors) was reviewed and approved by the company's board of directors on April 7, 2023. For the list of candidates, please refer to [Annex 6].

Election results :

Other Motions

Proposed by the Board of Directors

Proposal: To release the Non-compete Restriction on Directors and Representatives.

Explanation: 1. In accordance with Article 209 of the Company Act, "A director who performs an act for himself/herself or for another person that falls within the scope of the company's business shall explain the important contents of his/her act to the shareholders' meeting to obtain permission.

2. For the company's business needs, the directors have to act for themselves or others within the company's business scope. Therefore, in accordance with the provisions of Article 209 of the Company Act, the Company intends to propose a resolution at the shareholders' meeting to release the non-compete restriction on new directors (including independent directors) and the representatives.

3. For the detailed list of non-compete restrictions to be lifted, please refer to [Annex 7].

4. Please approve.

Resolutions:

Extraordinary motions

Adjournment

PANJIT International Inc.

Annual Business Report

Market news

In 2022, the global economy faced pressure from inflation and interest rate hikes as well as the de-stocking, which led to a sharp decline in demand in the consumer market and a continued slowdown in demand for computer applications since the second quarter. Fortunately, compared to the weak demand in the consumer market, the electric vehicle market has benefited from the policies and subsidies of various countries, and the sales volume has been growing at a high rate against the trend. Among them, the growth of the pure electric vehicles is the most significant. The electric vehicle market has become the focus of many supply chain systems. In the inverter market related to green energy, the market still maintains a strong demand due to insufficient supply of key components IGBT. In terms of new technology, SiC also has potential for development in inverter applications. However, due to the strong demand for SiC from electric vehicles, the market price remains high, and it is still time for SiC MOSFET to enter the inverter market.

Corporate development

Core technologies:

PANJIT continues to use the medium- and long-term high power components (MOSFET, IGBT, SiC) and has successively promoted the listed SiC Diode, MV and LV SGT MOSFET and Super Junction MOSFET, which leads the development of FST IGBT and SiC MOSFET technical platforms and expand the target application market. In addition, the 8” Super Junction MOSFET/IGBT) showed stable and high efficiency in the trial production stage. PANJIT will continue to input research and development resources to provide the improved high-end product solutions for the given target market.

Market planning:

PANJIT has deeply expanded the automotive market for a long time, providing customers with comprehensive product designs, timely technical support, and rapid solutions. In recent years, the number of new products passing certification has been growing annually, and they have successfully obtained orders from major international manufacturers. In the industrial and power supply markets, we actively cooperate with industry leaders and end customers to establish a layout

plan in this field through high-power component solutions. In addition, strategic acquisitions at the beginning of the year provide more diverse solutions and cross-disciplinary cooperation models for future market planning.

Financial performance

In 2022, consolidated revenue was NT\$13.22 billion, and in 2022, consolidated operating gross profit was NT\$3.99 billion. The Company's 2022 consolidated operating income was NT\$1.63 billion. Based on the above information, the consolidated net profit per share in 2022 is NT\$4.6. Regarding the cash dividend, the Board of Directors approved the allotment of NT\$3.0 per share.

Future prospects

In order to continue our investment and strategy in the power semiconductor field and provide more complete power solutions through diversified product lines, PANJIT formulated two major development strategies: firstly, we will continue to cultivate the automotive market and provide solutions for electric vehicle-related applications to closely connect with end-users for stable supply and mutual growth; secondly, in response to the green energy-related applications arising from climate change, we will expand our product deployment for charging pile, energy storage system and solar energy. The above two major development axes are planned to respond to the current market demand and future market expansion, so as to achieve the long-term goal of increasing market share and sustainable development.

PANJIT International Inc.
Chairman: FANG, MIN-CHING
Managerial Officer: FANG, MIN-CHING
Accounting Supervisor: XIE, BAI-CHENG

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and proposal for allocation of earnings. The CPA firm of Ernst & Young Taiwan was retained to audit the Parent Company Only Financial Statements and Consolidated Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and proposal for allocation of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Please approve.

Yours sincerely

PANJIT International Inc. 2023 Regular Shareholders' Meeting

PANJIT International Inc.

Audit Committee convener: CHEN, YI-CHENG

March 10, 2023

Independent Auditor’s Report

To: PANJIT INTERNATIONAL INC.

Opinion

We have audited the parent company only Balance Sheets of PANJIT INTERNATIONAL INC. (the “Company”) as of December 31, 2022 and 2021, and the parent company only Statements of Comprehensive Income, parent company only statements of changes in equity, parent company only statements of cash flows, and notes to parent company only financial statements (including summary of significant accounting policies) for the annual period from January 1 to December 31, 2022 and 2021.

In our opinion, based on our audits and the reports of other independent accountants (please refer to the Other Matter – Making Reference to the Audits of Other Independent Accountants section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2022 and 2021, and their parent company only financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 judgment, were of most significance in our audit of 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, and we do not provide a separate opinion on these matters.

Revenue recognition

The operating revenues of the Company amounted to \$8,855,785 thousand for the year ended 31 December 2022. The main source of revenue is manufacturing and selling diodes. As the operation spanned globally and the product combination and pricing methods were diverse, judgment of the performance obligation and when it is satisfied was required. Therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of revenue recognition; testing the design and operating effectiveness of internal controls around revenue recognition by management, including identifying completeness of performance obligation of client contracts and the accounting treatment of the timing of revenue recognition; performing analytical procedures on gross margin by products and departments; selecting samples to perform test of details and reviewing significant terms and conditions of contracts; performing cutoff procedures, testing general journal entry, reviewing sales transaction certificates before and after the balance sheet date to verify that revenue has been recorded in the correct accounting period. Accordingly, evaluating the appropriateness of significant sales returns and rebates. In addition, we also considered the appropriateness of the disclosures of sales. Please refer to Notes 4 and 6 to the Company's parent company only financial statements.

Evaluation of Inventories

As of December 31, 2022, the Company's net inventories amounted to NT\$2,042,902 thousand, constituting 8% of total assets which was then identified as material to financial statement. The status of inventory was difficult to manage due to various types of stocks stored across various locations including outsourced warehouses. Such inventories are stated at the lower of cost and net realizable value. Evaluation involves management's significant accounting estimation and judgement, and the carrying amount of inventories is material to parent company only financial statements. Therefore we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of inventories evaluation; testing the design and operating effectiveness of internal controls around revenue recognition by management, including assessing the transfer of inventory cost, selecting major warehouse to observe physical stock taking to verify inventory quantity and status; and assessing the management's estimates of net realizable value by inventories evaluation, and selecting samples to verify related certificates to test the correctness of inventories aging interval; review whether obsolescence loss allowance was sufficient according to policy and assess the appropriateness of the provision policy. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's parent company only financial statements.

Other matters – Making Reference to the Audits of Other Independent Accountants

We did not audit the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of NT\$1,575,688 thousand and NT\$1,574,237 thousand, constituting 6% and 7% of total assets as of 31 December 2022 and 2021, respectively. The related shares of profits from the associates and joint ventures under the equity method of NT\$81,531 thousand and NT\$92,457 thousand, constituting 4% and 4% of pretax income, and the related shares of other comprehensive income from the associates and joint ventures under the equity method of NT\$5,985 thousand and (NT\$3,467) thousand, constituting 4% and 2% of other comprehensive income for the year ended 31 December 2022 and 2021, respectively. Those financial statements were audited by other independent accountants, whose reports there on have been furnished to us, and our audit results are based solely on the reports of the other independent accountants.

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 requirements of 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 ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or errors, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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 Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, 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 group audit. We remain solely responsible for our audit opinion.

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

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

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

Ernst & Young Taiwan

March 10, 2023

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants 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, Ernst & Young 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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.
Parent Company Only Balance Sheet
December 31, 2022, and 2021
(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current asset					
Cash and cash equivalents	6(1)	\$1,112,018	4	\$1,262,462	6
Financial assets at fair value through profit or loss - current	6(2)	14,937	-	-	-
Notes receivable, net	6(4).(15)	25,525	-	60,686	-
Trade receivable, net	6(5).(15)	1,649,116	7	2,199,360	10
Trade receivable - related parties, net	6(5).(15),7	322,846	1	207,130	1
Other receivable, net		110,694	1	105,932	1
Other receivable - related party, net	7	827,627	3	6,994	-
Inventory, net	6(6)	2,042,902	8	1,455,870	6
Other current assets	8	180,332	1	165,690	1
Total current assets		6,285,997	25	5,464,124	25
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	153,843	-	314,350	1
Investments accounted for using the equity method	6(7)	12,655,585	51	10,176,614	45
Property, Plant, and Equipment	6(8),7	4,744,750	19	3,957,765	18
Right-of-use assets	6(16)	7,170	-	22,612	-
Intangible assets	6(9)	82,278	1	97,127	1
Deferred income tax asset	6(20)	217,014	1	260,785	1
Prepayment for equipments		282,062	1	301,606	1
Prepayment for Investment		-	-	1,396,500	6
Other non-current assets		628,739	2	488,437	2
Total non-current assets		18,771,441	75	17,015,796	75
Total assets		\$25,057,438	100	\$22,479,920	100
Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current Liabilities					
Short-term borrowings	6(10)	\$2,455,192	10	\$2,931,307	13
Contractual liabilities - current	6(14)	365	-	5,982	-
Trade payable		672,133	3	818,210	4
Trade payable-related parties	7	273,253	1	310,724	1
Other payables	7	1,160,401	5	997,200	4
Current tax liabilities	6(20)	214,183	1	231,161	1
Lease liabilities - current	6(16)	3,882	-	7,981	-
Long-term borrowings, current portion	6(11)	478,875	2	32,458	-
Other current liabilities		13,428	-	10,876	-
Total current liabilities		5,271,712	22	5,345,899	23
Non-current Liabilities					
Long-term borrowings	6(11)	6,004,583	24	4,030,629	18
Deferred tax liabilities	6(20)	74,421	-	77,919	-
Lease liabilities - non-current	6(16)	3,213	-	14,767	-
Defined benefit liabilities-non-current	6(12)	61,507	-	89,167	1
Other non-current liabilities - others		26,425	-	25,671	-
Total non-current liabilities		6,170,149	24	4,238,153	19
Total liabilities		11,441,861	46	9,584,052	42
Equity					
Capital					
Common stock	6(13)	3,828,149	15	3,828,149	17
Capital surplus	6(13)	6,016,861	24	6,086,155	27
Retained earnings	6(13)				
Legal reserve		505,733	2	328,134	2
Special reserve		717,237	3	717,237	3
Unappropriated earnings		3,116,721	12	2,204,637	10
Total retained earnings		4,339,691	17	3,250,008	15
Other components of equity		(552,617)	(2)	(251,937)	(1)
Treasury stock	6(13)	(16,507)	-	(16,507)	-
Total equity		13,615,577	54	12,895,868	58
Total liabilities and equity		\$25,057,438	100	\$22,479,920	100

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December, 2022 and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	Notes	2022		2021	
		Amount	%	Amount	%
Operating revenue	6(14),7	\$8,855,785	100	\$8,706,119	100
Operating cost	6(17),7	(6,358,488)	(72)	(6,127,183)	(70)
Gross profit		2,497,297	28	2,578,936	30
Unrealized profit (loss) from sales		(36,583)	-	(32,465)	-
Realized profit (loss) on from sales		32,465	-	19,284	-
Gross profit-net		2,493,179	28	2,565,755	30
Operating expense	6(15).(17) ,7				
Selling expenses		(512,034)	(6)	(497,893)	(6)
Administrative expenses		(534,821)	(6)	(590,840)	(7)
Research and development expenses		(448,106)	(5)	(260,395)	(3)
Expected credit gains (losses)		5,988	-	(6,707)	-
Subtotal		(1,488,973)	(17)	(1,355,835)	(16)
Operating income		1,004,206	11	1,209,920	14
Non-operating income and expenses	6(18)				
Interest income		14,359	-	537	-
Other income		32,196	-	102,070	1
Other gains or losses		106,680	1	18,473	-
Financial costs		(107,815)	(1)	(68,783)	(1)
Share of profit or loss of subsidiaries and associates under equity method	6(7)	891,458	10	969,520	11
Subtotal		936,878	10	1,021,817	11
Pretax income from continuing operations		1,941,084	21	2,231,737	25
Income tax expenses	6(20)	(183,453)	(2)	(304,762)	(4)
Profit from continuing operations		1,757,631	19	1,926,975	21
Net income		1,757,631	19	1,926,975	21
Other comprehensive income (loss)	6(19)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		24,435	-	3,727	-
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income		(283,469)	(3)	335,088	4
Income tax related to items that will not be reclassified		(2,748)	-	(3,477)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		486,892	5	(188,795)	(2)
Income tax related to items that may be reclassified		(84,180)	(1)	36,520	-
Total other comprehensive income (loss), net of tax		140,930	1	183,063	2
Total comprehensive income		\$1,898,561	20	\$2,110,038	23
Earnings per share (NTD)	6(21)				
Basic earnings per share:		\$4.60		\$5.66	
Diluted earnings per share		\$4.57		\$5.64	

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

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December, 2022 and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	Capital stock		Retained earnings			Other Components of Equity			Treasury Stock	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others		
Balance as of January 1, 2021	\$3,328,149	\$2,196,674	\$239,453	\$717,237	\$1,015,504	(\$669,283)	\$288,607	(\$413)	(\$16,507)	\$7,099,421
Appropriation and distribution of 2020 retained earnings										
Legal reserve	-	-	88,681	-	(88,681)	-	-	-	-	-
Cash dividend	-	-	-	-	(498,172)	-	-	-	-	(498,172)
Changes in equity of associates accounted for using equity method	-	113,328	-	-	-	-	-	-	-	113,328
Net income in 2021	-	-	-	-	1,926,975	-	-	-	-	1,926,975
Other comprehensive income (loss) in 2021	-	-	-	-	1,920	(152,275)	333,418	-	-	183,063
Total comprehensive income (loss)	-	-	-	-	1,928,895	(152,275)	333,418	-	-	2,110,038
Issue of shares	500,000	3,610,956	-	-	-	-	-	-	-	4,110,956
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	165,193	-	-	(204,900)	-	-	-	-	(39,707)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	51,991	-	(51,991)	-	-	-
Balance as of December 31, 2021	\$3,828,149	\$6,086,155	\$328,134	\$717,237	\$2,204,637	(\$821,558)	\$570,034	(\$413)	(\$16,507)	\$12,895,868
Balance as of January 1, 2022	\$3,828,149	\$6,086,155	\$328,134	\$717,237	\$2,204,637	(\$821,558)	\$570,034	(\$413)	(\$16,507)	\$12,895,868
Appropriation and distribution of 2021 retained earnings										
Legal reserve	-	-	177,599	-	(177,599)	-	-	-	-	-
Cash dividend	-	-	-	-	(1,146,345)	-	-	-	-	(1,146,345)
Changes in equity of associates accounted for using equity method	-	116	-	-	-	-	-	-	-	116
Net income in 2022	-	-	-	-	1,757,631	-	-	-	-	1,757,631
Other comprehensive income (loss) in 2022	-	-	-	-	21,175	402,712	(282,957)	-	-	140,930
Total comprehensive income (loss)	-	-	-	-	1,778,806	402,712	(282,957)	-	-	1,898,561
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	(69,414)	-	-	36,787	-	-	-	-	(32,627)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	420,435	-	(420,435)	-	-	-
Balance as of December 31, 2022	\$3,828,149	\$6,016,861	\$505,733	\$717,237	\$3,116,721	(\$418,846)	(\$133,358)	(\$413)	(\$16,507)	\$13,615,577

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS

For the years ended 31 December, 2022 and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	2022	2021
	Amount	Amount
Cash flow from operating activities		
Net income before tax	\$1,941,084	\$2,231,737
Adjustment items:		
Revenue and expenses:		
Depreciation	337,366	288,662
Amortization	37,742	35,450
Expected credit impairment losses (gains)	(5,988)	6,707
Net (gain) of financial assets or liabilities at fair value through profit or loss	(267)	(1,475)
Interest expense	107,815	68,783
Interest revenue	(14,359)	(537)
Dividend revenue	(3,695)	(6,278)
Share of (profit) loss of associates accounted for using equity method	(891,458)	(969,520)
Loss on disposal of property, plant and equipment	2,128	6,988
(Gain) on disposal of investments	-	(2,548)
Reversal of impairment loss on non-financial assets	(5,108)	(348)
Unrealized profit from sales	36,583	32,465
Realized (profit) on from sales	(32,465)	(19,284)
Others	271,519	(27,823)
Subtotal	(160,187)	(588,758)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(14,670)	7,548
Decrease (increase) in notes receivable	35,161	(24,342)
Decrease (increase) in trade receivable	556,232	(497,482)
(Increase) decrease in trade payable - related parties	(115,716)	70,041
(Increase) in other receivables	(4,762)	(53,615)
(Increase) in other receivable due from related parties	(820,633)	(6,806)
(Increase) in inventories	(853,816)	(539,905)
Other current assets (increases) decreases	(14,664)	11,587
Changes in operating liabilities:		
(Decrease) increase in contract liabilities	(5,617)	5,583
(Decrease) increase in trade payable	(146,077)	360,856
(Decrease) in trade payable - related parties	(37,471)	(3,026)
Increase (decrease) in other payables	91,291	(526,580)
Increase (decrease) in other current liabilities	2,552	(6,015)
(Decrease) in net defined benefit liabilities	(13,788)	(6,799)
Subtotal	(1,341,978)	(1,208,955)
Cash generated from operations	438,919	434,024
Interest received	14,359	537
Income tax (paid)	(247,085)	(99,085)
Net cash provided by operating activities	206,193	335,476

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS (continued)

For the years ended 31 December, 2022 and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	2022	2021
	Amount	Amount
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	25,881	68,288
Acquisition of investments accounted for under the equity method	(1,778,115)	(1,909,724)
(Increase) in prepayments for investments	-	(1,396,500)
Decrease in prepayments for investments	1,396,500	-
Acquisition of property, plant, and equipment	(560,468)	(1,026,213)
Proceeds from disposal of property, plant and equipment	4,553	6,440
Increase in refundable deposits	(98,152)	(414,007)
Acquisition of intangible assets	(22,893)	(50,049)
Increase in other non-current assets	(42,150)	-
Increase in prepayments for equipments	(471,536)	(718,146)
Dividends received	503,894	127,548
Net cash (outflow) by investing activities	<u>(1,042,486)</u>	<u>(5,312,363)</u>
Cash flows from financing activities:		
Increase in short-term loans	-	1,545,864
Decrease in short-term loans	(476,115)	-
Proceeds from long-term debt	10,919,829	563,019
Repayments of long-term debt	(8,490,171)	-
Repayments of lease liabilities	(5,385)	(8,782)
Decrease in other non-current liabilities	(11,053)	(6,144)
Cash dividends paid	(1,146,345)	(498,169)
Proceeds from issuing shares	-	4,110,956
Interest paid	(104,911)	(68,274)
Net cash provided by financing activities	<u>685,849</u>	<u>5,638,470</u>
Net (decrease) increase in cash and cash equivalents	(150,444)	661,583
Cash and cash equivalents at beginning of period	1,262,462	600,879
Cash and cash equivalents at end of period	<u>\$1,112,018</u>	<u>\$1,262,462</u>

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

Independent Auditors' Report

To PANJIT INTERNATIONAL INC.

Opinion

We have audited the accompanying consolidated balance sheets of PANJIT INTERNATIONAL INC. (the “Company”) and its subsidiaries as of 31 December 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other independent accountants (please refer to the Other Matter – Making Reference to the Audits of Other Independent Accountants section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2022 and 2021, and their consolidated financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 judgment, were of most significance in our audit of 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, and we do not provide a separate opinion on these matters.

1. Revenue Recognition

The consolidated operating revenues of the Company and its subsidiaries amounted to NT\$13,227,847 thousand for the year ended 31 December 2022. The main source of revenue is manufacturing and selling diodes. As the operation spanned globally and the product combination and pricing methods were diverse, judgment of the performance obligation and when it is satisfied was required. Therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of revenue recognition; testing the design and operating effectiveness of internal controls around revenue recognition by management, including identifying completeness of performance obligation of client contracts and the accounting treatment of the timing of revenue recognition; performing analytical procedures on gross margin by products and departments; selecting samples to perform test of details and reviewing significant terms and conditions of contracts; performing cutoff procedures, testing general journal entry, reviewing sales transaction certificates before and after the balance sheet date to verify that revenue has been recorded in the correct accounting period. Accordingly, evaluating the appropriateness of significant sales returns and rebates. In addition, we also considered the appropriateness of the disclosures of sales. Please refer to Notes 4 and 6 to the Company's consolidated financial statements.

2. Evaluation of Inventories

As of 31 December 2022, the Company and its subsidiaries' net inventories amounted to NT\$3,754,265 thousand, constituting 13% of consolidated total assets which was then identified as material to financial statement. The status of inventory was difficult to manage due to various types of stocks stored across various locations including outsourced warehouses. Such inventories are stated at the lower of cost and net realizable value. Evaluation involves management's significant accounting estimation and judgement, and the carrying amount of inventories is material to consolidated financial statements. Therefore we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of inventories evaluation; testing the design and operating effectiveness of internal controls around revenue recognition by management, including assessing the transfer of inventory cost, selecting major warehouse to observe physical stock taking to verify inventory quantity and status; and assessing the management's estimates of net realizable value by inventories evaluation, and selecting samples to verify related certificates to test the correctness of inventories aging interval; review whether obsolescence loss allowance was sufficient according to policy and assess the appropriateness of the provision policy. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of NT\$1,575,688 thousand and NT\$1,574,237 thousand, constituting 5% and 6% of consolidated total assets as of 31 December 2022 and 2021, respectively. The related shares of profits from the associates and joint ventures under the equity method of NT\$81,531 thousand and NT\$92,457 thousand, constituting 4% and 4% of consolidated pretax income, and the related shares of other comprehensive income from the associates and joint ventures under the equity method of NT\$5,985 thousand and (NT\$3,467) thousand, constituting 3% and 2% of consolidated other comprehensive income for the year ended 31 December 2022 and 2021, respectively. Those financial statements were audited by other independent accountants, whose reports there on have been furnished to us, and our audit results are based solely on the reports of the other independent accountants.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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 Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Others

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended 31 December 2022 and 2021.



Chen, Cheng-Chu



Fuh, Wen-Fun

Ernst & Young, Taiwan
10 March 2023

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December, 2022 and 2021
(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	31 December , 2022		31 December , 2021	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6(1)	\$3,033,568	10	\$3,413,707	13
Financial assets at fair value through profit or loss-current	6(2)	2,993,980	10	3,247,815	12
Notes receivable, net	6(5),(20)	352,859	1	579,449	2
Trade receivable, net	6(6),(20)	3,360,160	12	3,948,555	15
Trade receivable-related parties, net	6(6),(20), 7	56,700	-	140,689	1
Other receivable, net		146,057	-	151,860	1
Other receivables-related parties, net	7	3,352	-	6,524	-
Inventories, net	6(7)	3,754,265	13	2,421,044	9
Prepayments		758,487	3	520,106	2
Other current assets	8	150,376	1	105,290	-
Total current assets		14,609,804	50	14,535,039	55
Non-current assets					
Financial assets at fair value through profit or loss-non-current	6(2)	37,485	-	-	-
Financial assets at fair value through other comprehensive income-non-current	6(3)	521,889	2	1,444,493	5
Financial assets measured at amortized cost-non-current	6(4)	26,622	-	25,604	-
Investments accounted for using the equity method	6(8)	2,038,347	7	2,004,283	8
Property, plant and equipment	6(9),7	7,411,293	25	5,306,044	20
Right-of-use assets	6(21)	1,296,176	5	1,347,255	5
Intangible assets	6(10),(11)	1,661,358	6	218,378	1
Deferred tax assets	6(25)	350,643	1	367,714	1
Prepayment for equipments		443,341	2	833,325	3
Refundable deposits	8	637,470	2	540,443	2
Other non-current assets	8	132,418	-	30,211	-
Total non-current assets		14,557,042	50	12,117,750	45
Total assets		\$29,166,846	100	\$26,652,789	100
Liabilities and Equity	Notes	31 December , 2022		31 December , 2021	
		Amount	%	Amount	%
Current liabilities					
Short-term borrowings	6(12)	\$2,769,949	10	\$3,219,218	12
Contract liabilities-current	6(19)	10,041	-	16,850	-
Notes payable	6(13)	605,905	2	754,823	3
Trade payable		1,417,681	5	2,046,066	8
Trade payable-related parties	7	59,068	-	186,250	1
Other payables		1,742,971	6	1,553,563	6
Other payables-related parties	7	37,903	-	40,556	-
Current tax liabilities		295,814	1	326,537	1
Lease liabilities-current	6(21),7	52,735	-	52,314	-
Current portion of long-term loans payable	6(15),8	478,875	2	32,458	-
Other current liabilities		76,945	-	16,988	-
Total current liabilities		7,547,887	26	8,245,623	31
Non-current liabilities					
Long-term borrowings	6(15), 8	6,033,741	21	4,551,794	17
Deferred tax liabilities	6(25)	91,895	-	78,229	-
Lease liabilities-non-current	6(21),7	321,641	1	351,589	1
Long-term deferred revenue	6(14)	98,807	-	102,150	-
Defined benefit liabilities-non-current	6(16)	66,945	-	105,561	1
Other non-current liabilities		96,695	-	106,841	1
Total non-current liabilities		6,709,724	22	5,296,164	20
Total liabilities		14,257,611	48	13,541,787	51
Equity attributable to the parent company					
Capital					
Common stock	6(17)	3,828,149	13	3,828,149	14
Capital Surplus	6(17)	6,016,861	21	6,086,155	23
Retained earnings	6(17)				
Legal reserve		505,733	2	328,134	1
Special reserve		717,237	2	717,237	3
Unappropriated earnings		3,116,721	11	2,204,637	8
Total retain earnings		4,339,691	15	3,250,008	12
Other components of equity		(552,617)	(2)	(251,937)	(1)
Treasury stock	6(17)	(16,507)	-	(16,507)	-
Total equity attributable to the parent company		13,615,577	47	12,895,868	48
Non-controlling interests	6(17)	1,293,658	5	215,134	1
Total equity		14,909,235	52	13,111,002	49
Total liabilities and equity		\$29,166,846	100	\$26,652,789	100

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

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December, 2022 and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	Notes	2022		2021	
		Amount	%	Amount	%
Operating revenues	6(19),7	\$13,227,847	100	\$13,861,744	100
Operating costs	6(7),(22),7	(9,232,010)	(70)	(9,466,106)	(68)
Gross profit		3,995,837	30	4,395,638	32
Operating expenses	6(20),(21),(22),7				
Selling expenses		(681,383)	(5)	(646,097)	(4)
General and administrative expenses		(973,484)	(7)	(1,039,765)	(8)
Research and development expenses		(719,208)	(6)	(422,578)	(3)
Expected credit gains	6(20)	9,311	-	2,224	-
Subtotal		(2,364,764)	(18)	(2,106,216)	(15)
Operating income		1,631,073	12	2,289,422	17
Non-operating income and expenses	6(23)				
Interest income		133,842	1	90,731	1
Other income	7	108,782	1	185,633	1
Other gains and losses	7	241,339	2	(3,942)	-
Finance costs		(138,090)	(1)	(96,683)	(1)
Share of profit or loss of associates under equity method	6(8)	114,396	1	49,715	-
Subtotal		460,269	4	225,454	1
Pretax income from continuing operations		2,091,342	16	2,514,876	18
Income tax expenses	6(25)	(333,438)	(3)	(536,846)	(4)
Profit from continuing operations		1,757,904	13	1,978,030	14
Net income		1,757,904	13	1,978,030	14
Other comprehensive income (loss)	6(24)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		26,842	-	2,070	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(293,286)	(2)	346,756	3
Income tax related to items that will not be reclassified	6(25)	(6,948)	-	(2,117)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		583,547	5	(195,703)	(1)
Income tax related to items that may be reclassified	6(25)	(93,185)	(1)	35,627	-
Total other comprehensive income (loss), net of tax		216,970	2	186,633	2
Total comprehensive income (loss)		\$1,974,874	15	\$2,164,663	16
Net income (loss) attributable to:					
Stockholders of the parent		\$1,757,631	13	\$1,926,975	14
Non-controlling interests		273	-	51,055	-
		\$1,757,904	13	\$1,978,030	14
Comprehensive income (loss) attributable to:					
Stockholders of the parent		\$1,898,561	14	\$2,110,038	16
Non-controlling interests		76,313	1	54,625	-
		\$1,974,874	15	\$2,164,663	16
Earnings per share (NTD)	6(26)				
Basic earnings per share		\$4.60		\$5.66	
Diluted earnings per share		\$4.57		\$5.64	

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

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December, 2022 and 2021
(Expressed in Thousand of New Taiwan Dollars)

Items	Equity Attributable to Parent Company										Non-Controlling Interests	Total Equity
	Capital		Retained Earnings			Other Components of Equity			Treasury Stock	Total		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others				
Balance as of 1 January, 2021	\$3,328,149	\$2,196,674	\$239,453	\$717,237	\$1,015,504	(\$669,283)	\$288,607	(\$413)	(\$16,507)	\$7,099,421	\$147,311	\$7,246,732
Appropriation and distribution of 2020 retained earnings												
Legal reserve	-	-	88,681	-	(88,681)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(498,172)	-	-	-	-	(498,172)	-	(498,172)
Changes in equity of associates accounted for using equity method	-	113,328	-	-	-	-	-	-	-	113,328	(452)	112,876
Net income in 2021	-	-	-	-	1,926,975	-	-	-	-	1,926,975	51,055	1,978,030
Other comprehensive income (loss) in 2021	-	-	-	-	1,920	(152,275)	333,418	-	-	183,063	3,570	186,633
Total comprehensive income (loss)	-	-	-	-	1,928,895	(152,275)	333,418	-	-	2,110,038	54,625	2,164,663
Issue of shares	500,000	3,610,956	-	-	-	-	-	-	-	4,110,956	-	4,110,956
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	165,193	-	-	(204,900)	-	-	-	-	(39,707)	20,496	(19,211)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4	(4)	-
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,842)	(6,842)
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	51,991	-	(51,991)	-	-	-	-	-
Balance as of 31 December, 2021	\$3,828,149	\$6,086,155	\$328,134	\$717,237	\$2,204,637	(\$821,558)	\$570,034	(\$413)	(\$16,507)	\$12,895,868	\$215,134	\$13,111,002
Balance as of 1 January, 2022	\$3,828,149	\$6,086,155	\$328,134	\$717,237	\$2,204,637	(\$821,558)	\$570,034	(\$413)	(\$16,507)	\$12,895,868	\$215,134	\$13,111,002
Appropriation and distribution of 2021 retained earnings												
Legal reserve	-	-	177,599	-	(177,599)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(1,146,345)	-	-	-	-	(1,146,345)	-	(1,146,345)
Changes in equity of associates accounted for using equity method	-	116	-	-	-	-	-	-	-	116	(354)	(238)
Net income in 2022	-	-	-	-	1,757,631	-	-	-	-	1,757,631	273	1,757,904
Other comprehensive income (loss) in 2022	-	-	-	-	21,175	402,712	(282,957)	-	-	140,930	76,040	216,970
Total comprehensive income (loss)	-	-	-	-	1,778,806	402,712	(282,957)	-	-	1,898,561	76,313	1,974,874
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	(69,414)	-	-	36,787	-	-	-	-	(32,627)	120,672	88,045
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4	(165,271)	(165,267)
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,047,164	1,047,164
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	420,435	-	(420,435)	-	-	-	-	-
Balance as of 31 December, 2022	\$3,828,149	\$6,016,861	\$505,733	\$717,237	\$3,116,721	(\$418,846)	(\$133,358)	(\$413)	(\$16,507)	\$13,615,577	\$1,293,658	\$14,909,235

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

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December, 2022 and 2021
(Expressed in Thousand of New Taiwan Dollars)

Items	2022	2021
Cash flows from operating activities:		
Net income before tax	\$2,091,342	\$2,514,876
Adjustments to reconcile net income (loss) before tax to net cash provided by operating activities:		
Depreciation	723,387	628,594
Amortization	48,317	43,085
Expected credit losses (gains)	(9,311)	(2,224)
Net (gain) of financial assets or liabilities at fair value through profit or loss	(70,231)	(37,702)
Interest expense	138,090	96,683
Interest revenue	(133,842)	(90,731)
Dividend revenue	(15,555)	(22,308)
Share of (profit) loss of associates accounted for using equity method	(114,396)	(49,715)
(Gain) loss on disposal of property, plant and equipment	(73)	21,028
(Gain) loss on disposal of investments	(72,787)	133
Impairment loss on non-financial assets	-	18,710
Reversal of impairment loss on non-financial assets	(5,271)	-
Others-Loss (gain) on inventory valuation	332,083	(117,608)
Other-other	(10,537)	(1,321)
Subtotal	809,874	486,624
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	697,064	(1,803,055)
Notes receivable	226,590	(211,353)
Trade receivable	597,172	(464,195)
Trade receivable-related parties	83,989	(81,969)
Other receivables	6,159	45,555
Other receivables-related parties	3,172	32,721
Inventories	(1,375,857)	(687,955)
Prepayments	(164,551)	(38,469)
Other current assets	152,577	(14,744)
Changes in operating liabilities:		
Contract liabilities	(6,809)	4,078
Notes payable	(149,679)	198,129
Trade payable	(685,919)	646,089
Trade payable-related parties	(127,182)	87,136
Other payables	(122,875)	492,830
Other payables-related parties	(2,653)	635
Other current liabilities	53,472	(9,870)
Net defined benefit liabilities-non-current	(14,977)	(7,877)
Subtotal	(830,307)	(1,812,314)
Cash generated from operations	2,070,909	1,189,186
Interest received	133,842	90,731
Income tax (paid)	(424,322)	(243,275)
Net cash provided by operating activities	1,780,429	1,036,642
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	734,294	68,774
Proceeds from disposal of financial assets measured at amortized cost	-	102,991
Acquisition of financial assets at fair value through profit or loss	(39,074)	-
Acquisition of investments accounted for under the equity method	(27,151)	(1,455,570)
Proceeds from disposal of investments accounted for using equity method	97,750	-
Net cash flow from acquisition of subsidiaries	(997,574)	-
Acquisition of property, plant and equipment	(1,248,453)	(1,277,687)
Proceeds from disposal of property, plant and equipments	10,920	53,326
Increase in refundable deposits	(96,196)	(422,905)
Acquisition of intangible assets	(32,051)	(17,258)
Decrease in other financial assets	9,325	-
Increase in other non-current assets	(37,507)	(10,463)
Increase in prepayments for equipments	(694,560)	(1,326,789)
Dividends received	143,846	23,642
Net cash (used in) by investing activities	(2,176,431)	(4,261,939)
Cash flows from financing activities:		
Increase in short-term loans	-	1,324,854
Decrease in short-term loans	(452,310)	-
Proceeds from long-term debt	1,884,954	-
Repayments of long-term debt	-	(8,923)
Repayments of lease liabilities	(67,375)	(47,742)
Decrease in other non-current liabilities	(10,801)	(2,874)
Cash dividends paid	(1,146,345)	(498,169)
Proceeds from issuing shares	-	4,110,956
Acquisition of ownership interests in subsidiaries	(753)	(197)
Interest paid	(123,906)	(88,552)
Changes in non-controlling interests	(293,517)	(6,842)
Net cash (used in) provided by financing activities	(210,053)	4,782,511
Effect of exchange rate changes on cash and cash equivalents	225,916	(91,286)
Net (decrease) increase in cash and cash equivalents	(380,139)	1,465,928
Cash and cash equivalents at beginning of period	3,413,707	1,947,779
Cash and cash equivalents at end of period	\$3,033,568	\$3,413,707

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

PANJIT International Inc.
2022 Earnings Distribution Chart

Unit: NT\$

Items	Amount		Remark
	Subtotals	Total	
Opening undistributed earnings		\$880,693,305	
PLUS: Net Income	1,757,631,113		
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	36,787,282		
Disposal of equity instruments at fair value through other comprehensive income	420,435,084		
2022 Other Comprehensive Income (Re-measurement of Defined Benefit Plan)	21,174,438	2,236,027,917	
Earnings available for distribution		3,116,721,222	
LESS: legal reserve recognized	(223,602,792)		
Allocation:			
Shareholder bonus - cash (NT\$3 per share)	(1,146,344,781)	(1,369,947,573)	
Ending undistributed earnings		\$1,746,773,649	

Note: 1. The legal reserve is set out in accordance with the MOEA letter No. 10802432410 dated January 9, 2020, and calculated based on “the net profit for the current period plus items other than the net profit for the current period shall be included in the current year’s undistributed earnings.”

2. Based on the number of issued shares as of March 2, 2023, 382,814,927 shares, excluding 700,000 treasury shares, the distribution of NT\$3 per share is calculated. The amount of dividend distribution to shareholders is calculated as follows: NT\$3 x 382,114,927 shares = NT\$1,146,344,781

Chairman: FANG, MIN-CHING

Managerial Officer: FANG, MIN-CHING

Accounting Supervisor: XIE, BAI-CHENG

List of Candidates for Directors (Including Independent Directors)

Category	Name	Education	Experiences	Present job	Shares held (Unit: shares)
Director	FANG, MIN-CHING	Department of Mechanical Engineering, Cheng Shiu Technical College	Chairman and General Manager of Pynmax Technology Co., Ltd. Chairman and General Manager of PANJIT International Inc. Corporate Director, Representative of Mildex Optical Inc.	Chairman and General Manager of PANJIT International Inc. Chairman and General Manager of Pynmax Technology Co., Ltd., Corporate Director, Representative of Mildex Optical Inc.	8,522,888
Director	FANG, MIN-ZONG	Department of Civil Engineering, Cheng Shiu Technical College	Corporate Director, Representative of Mildex Optical Inc. Corporate Director, Representative of Pynmax Technology Co., Ltd. Corporate Director, Representative of PANJIT International Inc. Corporate Director, Representative of Mosel Vitelic Inc.	Corporate Director, Representative of PANJIT International Inc. Corporate Director, Representative of Pynmax Technology Co., Ltd Corporate Director, Representative of Alltop Technology Co., Ltd. Chairman of Mildex Optical Inc. Chairman of Champion Microelectronic Corp.	2,554,629
Director	ZHONG, YUN-HUI	Department of Electronic Engineering, China Technical College	Plant Manager of Rectron	Director of PANJIT International Inc.	2,225,319
Director	Jinmao Investment Co., Ltd. Representative: LIN, QUN-XIANG	M.S. Engineering Management, University of Southern California	General Manager of NXP Semiconductors Taiwan Ltd. Director of Global External Manufacturing Quality of NXP Semiconductor	Chairman and President of NXP Semiconductors Taiwan Ltd. Director of Toothfilm INC.	52,046,710
Director	Jinmao Investment Co., Ltd.	Master of Business Administration, Brooklyn College,	Partner of Ernst & Young Taiwan Director of Ernst & Young Cultural and Educational Foundation	Corporate Director, Representative of PANJIT International Inc. Independent Director of O-Bank	52,046,710

Category	Name	Education	Experiences	Present job	Shares held (Unit: shares)
	Representative: LIN, HONG- GUANG	The City University of New York		Director of Globe Union Industrial Corp. Supervisor of Union Mechatronic Inc. Chairman of Ernst & Young Cultural and Educational Foundation Director of the private Taichung Jumei Social Welfare Charity Foundation	
Director	Jinmao Investment Co., Ltd. Representative: CHEN, ZUO- MING	Master of Business Management, Sun Yat-Sen University	General Manager of Greater China Business of Yageo Corporation	Chief Operating Officer of PANJIT International Inc. Corporate Director, Representative of Champion Microelectronic Corp.	52,046,710
Independent Director	CHEN, YI- CHENG	Master of Finance and Management, Sun Yat-Sen University	Vice President of Finance, Feng Shehg Enterprise Company Vice President of F&A and Spokesperson, Asia Vital Components Co., Ltd	Independent Director of PANJIT International Inc. Director and Vice President of Asia Vital Components Co., Ltd. Director of Sentelic Corporation	9,975
Independent Director	FAN, LIANG- FU	Master of Chemical Engineering, Oklahoma State University, USA	Chief Operating Officer of Hanyang Semiconductor Co., Ltd. Vice President of LAM Research, USA Plant Manager of TI, USA Vice President of Hermes Microvision Technology Co., Ltd. Vice President of Hermes-Epitek Corporation	Independent Director of PANJIT International Inc. Vice President of Hermes-Epitek Corporation Chairman and General Genese Intelligent Technology Co., Ltd.	0
Independent Director	ZHU, JUN- XIONG	Master's degree in Legal Studies, National Chung Hsing University	Managing Partner of Quanying International Law Firm Independent Director of S-TECH Corp.	Managing Partner of Quanying International Law Firm Independent Director of Gloria Material Technology Corp. Independent Director of Honey Hope Honesty Enterprise Co., Ltd.	0

Category	Name	Education	Experiences	Present job	Shares held (Unit: shares)
				Independent Director of D-Link Corporation	
Independent Director	DAI, YI-ZHI	Master of Engineering, University of Toronto, Canada	Vice President of Sunplus Technology Co., Ltd. General Manager of Industrial Technology Investment Corporation. General Manager of Xinqiao United Co., Ltd	General Manager of Xinqiao United Co., Ltd Chairman of Choice Biotech Inc.	0

List of Non-competition Restrictions Proposed to Lift

Director Candidates	Currently working in other companies
FANG, MIN-CHING	Chairman and General Manager of pynmax Technology Co., Ltd.
	Director of JOYSTAR International Co., Ltd.
	Director of PANJIT AMERICAS Inc.
	Chairman of PANJIT Electronics (Shandong) Co., Ltd.
	Director of Dynamic Tech Group Limit
	General Manager of Shenzhen Weiquan Electronics Co., Ltd
	Corporate, Director Representative of Mildex Optical Inc.
	Director of Mildex Optical USA, Inc.
FANG, MIN-ZONG	Corporate Director, Representative of Pynmax Technology Co., Ltd.
	Director of PANJIT AMERICAS Inc.
	Vice Chairman of Shenzhen Weiquan Electronics Co., Ltd.
	Chairman and President of Aide Energy (Cayman) Holding Co., Ltd.
	Chairman, Director and General Manager of Aide Solar Energy (HK) Holding Limited
	Corporate Director, Representative of Alltop Technology Co., Ltd.
	Corporate Director, Representative of Ever Ohms Technology Co., Ltd.
	Chairman of Champion Microelectronic Corp.
	Corporate Director, Representative of Wisdom Bright Inc.
	Corporate Director, Representative of Wisdom Toprich Technology Limited
	Corporate Director, Representative of Great Power Microelectronics Corp.
	Corporate Director, Representative of Champion Microelectronic Corp.
	Corporate Director, Representative of Wisdom Mega Corp.
	Chairman of Jinmao Investment Co., Ltd.
	Corporate Director, Representative of Zhaorongjing Biomedical Co., Ltd.
	Chairman of Mildex Optical Inc.
	Director of Mildex Asia Co., Ltd.
	Chairman of Mildex Optical USA Inc.
	Chairman and President of Mildex Technology (Wuxi) Co., Ltd.
	Director of Sinano Technology Corp.
	Chairman and General Manager of Mildex Optoelectronics (Xuzhou) Co., Ltd.
	Director of Mildex Technology Holding (Cayman) Co., Ltd.
	Director of Jumplus Co., Ltd.

Director Candidates	Currently working in other companies
ZHONG, YUN-HUI	General Manager of Siyang Grande Electronics Co., Ltd.
	Director of Mildex Optoelectronics (Xuzhou) Co., Ltd.
	Vice Chairman of Shenzhen Weiquan Electronics Co., Ltd.
Jinmao Investment Co., Ltd. Representative: LIN, QUN-Xiang	Chairman and President of NXP Semiconductors Taiwan Ltd.
	Director of Toothfilm Inc.
Jinmao Investment Co., Ltd. Representative: LIN, HONG-GUANG	Independent Director of O-Bank
	Corporate Director, Representative of Globe Union Industrial Corp.
	Chairman of Ernst & Young Cultural and Educational Foundation
	Director of the private Taichung Jumei Social Welfare Charity Foundation
Jinmao Investment Co., Ltd. Representative: CHEN, ZUO-MING	Corporate director, Representative of Champion Microelectronic Corp.
	Corporate Director, Representative of Great Power Microelectronics Corp.
CHEN, YI-CHENG	Director and Vice President of Asia Vital Components Co., Ltd,
	Director of Sentelic Corporation
	Director of SHENG-SHING Corp.
	Corporate Director, Representative of Rayney International Ltd.,
	Corporate Director, Representative of Hongye Investment Co., Ltd.,
	Corporate Director Representative of ZIMAG TECHNOLOGY CO., Ltd.
	Chairman of Licheng Investment Co., Ltd.,
	Corporate Director, Representative of FOSITEK Corp.
FAN, LIANG-FU	Vice President of Hermes-Epitek Corporation
	Chairman and General Genese Intelligent Technology Co., Ltd.
ZHU, JUN-XIONG	Managing Partner of Quanying International Law Firm
	Independent Director of Gloria Material Technology Corp.
	Independent Director of Honey Hope Honesty Enterprise Co., Ltd.
	Independent Director of D-Link Corporation
DAI, YI-ZHI	Chairman of Fuyi Management Consulting Co., Ltd.
	Chairman of Chengzhao Investment Co., Ltd.
	Chairman of Liufang Innovation Investment Co., Ltd.
	Director and General Manager of Xinqiao United Co., Ltd
	Chairman of Choice Biotech Inc.

Appendix I

Individual and total number of shares held by directors

Book closure date: April 16, 2023

Job Title	Account name	Number of Shares Held
Director	FANG, MIN-CHING	8,522,888 shares
Director	ZHONG, YUN-HUI	2,225,319 shares
Director	Jinmao Investment Co., Ltd. Representative: FANG, MIN-ZONG Representative: LIN, HONG-GUANG	52,046,710 shares
Independent Director	CHEN, YI-CHENG	9,975 shares
Independent Director	FAN, LIANG-FU	0 shares
Independent Director	CHEN, SHI-ZHEN	0 shares
Total number of Directors (independent director excluded)		62,794,917 shares

1. The number of issued shares is 382,814,927.
2. According to Article 26, Paragraph 2 of the Securities and Exchange Act, all directors shall hold a minimum of 15,312,597 shares.

Appendix II

Influence of Stock Dividend on Business Performance, EPS, and Shareholder's Return on Investment

There is no free allotment proposed at the shareholders meeting, so it is not applicable.

PANJIT International Inc.
Measures for the Election of Directors

Revised on June 14, 2022

- Article 1 The election of directors of the Company shall be governed by these Regulations.
- Article 2 The election of directors of the Company adopts the cumulative voting system. The name of the elector may be replaced by the attendance card number printed on the ballot. Each share shall have the same voting rights as the number of directors to be elected, One person may be elected centrally or a number of people may be allocated for election.
- Article 3: The voting rights for independent and non-independent directors of this company shall be based on the number of directors specified in the company's articles of association. Those who have obtained more voting rights shall be elected in order. If two or more persons have the same number of votes and the number of seats exceeds the number of seats, lots shall be drawn by those with the same number of votes to determine the number of seats.
- Article 4 (deleted)
- Article 5 The Board of Directors shall prepare the same number of ballots as the number of directors to be elected, and fill in the number of their rights, and distribute them to the shareholders attending the shareholders' meeting.
- Article 6 The ballot boxes shall be prepared by the Board of Directors and shall be opened and examined by the scrutineers before the voting.
- Article 7 Before the election begins, the chairman shall designate a number of scrutinizers with shareholder status, and counting staff to perform various relevant duties.
- Article 8 (deleted)
- Article 9 Any one of the following events during the election is invalid:
1. Those which do not use the ballots prepared by the person with the right to convene.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or altered.
 4. Those who have filled in the list of candidates for election do not match the list of candidates for directors.
 5. In addition to filling in the number of voting rights, other words are included.

Article 10 After the voting is completed, the votes shall be counted on the spot, and the results of the voting shall be announced by the chairman on the spot, containing the list of directors elected and their right to be elected. After the meeting, a notice of election will be issued separately.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.

Article 11 Matters not provided for in these rules shall be governed by the Company Law and other relevant laws and regulations as well as measures specified by the Company's Articles of Association.

Article 12 These Measures shall come into force after being passed by the resolution of the shareholders' meeting, and the same shall apply when it is revised.

PANJIT International Inc.

Rules of Procedures for shareholders' meetings

Revised on June 14, 2022

- Article 1 To establish an excellent governance system, complete a sound supervisory function and strengthen the management mechanism, the Company, in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, formulated the Rules.
- Article 2 The Company's Rules of Procedure for the Shareholders meeting, except as otherwise provided by law, regulation, or the Articles of Association, shall be applied.
- Article 3 (Notice of convening and meeting of the shareholders meeting)
- Unless otherwise provided by regulations, the shareholders meeting is convened by the Board of Directors.
- Changes to the method of convening the shareholders' meeting of the Company shall be subject to the resolution of the board of directors. And at the latest before the notice of the shareholders' meeting is dispatched. Thirty days before the Company convenes a regular shareholders meeting or 15 days before a special shareholders meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the shareholders meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. However, if the Company's capital amount exceeds NT\$10 billion at the end of the most recent fiscal year, or the Company convened an ordinary shareholders' meeting in the most recent fiscal year. If the total shareholding ratio of foreign capital and Mainland capital recorded in the shareholder register is more than 30%, the electronic file shall be transmitted 30 days before the ordinary shareholders' meeting. Fifteen days before the Company is to convene a shareholders meeting, it shall prepare the shareholders

meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent.

The procedure Handbook and meeting supplementary materials mentioned in the preceding paragraph shall be provided to shareholders for reference by the Company on the day of the shareholders' meeting in the following ways:

1. For physical shareholders' meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The notice and announcement shall specify the reason for the convening. If the counterparty approves the notice, it may be done electronically.

For appointment or dismissal of directors, change of Articles of Association, capital reduction, application for suspension of public offerings, directors' competition license, a capital increase from surplus, a capital increase from public reserves, Company dissolution, merger, demerger, or the matters in the first paragraph of Article 185 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the main content should be listed and explained in the reason for convening. Provisional motions shall not be allowed for the proposal.

The reasons for the convening of the shareholders meeting have been stated for the full re-election of directors and appointment date. After the shareholders' re-election is completed, the same meeting shall not change the appointment date by extraordinary motion or other means.

Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the Company's ordinary shareholders meeting. The number of proposals is limited to one.

Additional proposals shall not be included in the agenda. When any of the circumstances provided in Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Shareholders may submit proposals to urge the Company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item following the relevant provisions of Article 172-1 of the Company Act. The number of proposals is limited to one.

Additional proposals shall not be included in the agenda.

Prior to the book closure date, before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method in written or electronic, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than ten days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal.

The Company shall, prior to the delivery of the shareholders meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

- Article 4 Shareholders may appoint a proxy to attend the shareholders meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy.
- A shareholder may only execute one letter of appointment, appoint one proxy only, and submit such a letter of appointment to the Company no later than 5 days before the shareholders meeting. If two or more letters of appointment are received from the same shareholder, the first one received by the Company shall prevail. Provided that this does not apply to a declaration made to cancel the previous proxy appointment.
- After the letter of appointment is submitted to the Company, in case the shareholder issuing the said letter of appointment intends to attend the shareholders' meeting in person or to exercise his/her voting rights in writing or electronically, a proxy rescission notice shall be filed with the Company 2 days in writing prior to the date of the shareholders' meeting; otherwise, the voting rights exercised by the proxy at the meeting shall prevail.
- If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

- Article 5 (Principles of the place and time of the shareholders meeting)
- The venue where a shareholder meeting is to be held shall be in the premises of the Company or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the

independent Directors shall be fully taken into consideration in decision of the location and time of a shareholder meeting.

When the Company convenes a virtual-only shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.

Article 6 (Preparation of signature books and other documents)

The Company shall specify in its meeting notices, for the shareholders, solicitors, entrusted agents (hereinafter referred to as shareholders), the time during which shareholder registrations will be accepted, the place to register for attendance, and other matters for attention.

The registration time described in the preceding paragraph shall be at least 30 minutes before the meeting begins. The registration counter shall be precisely indicated and enough competent personnel shall be assigned to help shareholders register. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings with attendance cards, attendance sign-in cards, or other certificates of attendance, the Company shall not arbitrarily add other supporting documents to the supporting documents relied on by shareholders to attend. Solicitors soliciting letters of appointment shall also bring identification documents for verification.

The Company shall maintain an attendance book for the attending shareholders to sign in, or the attending shareholders may take a sign-in card to sign in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials, where there is an election of Directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

If the shareholders' meeting is held online, shareholders who wish to attend the meeting online should register with the Company two days before the shareholders' meeting.

If the shareholders' meeting is held online, the Company shall upload the procedure Handbook, annual report and other relevant materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Convening a video conference of the shareholders' meeting, and the matters to be included in the convening notice)

When the Company holds a virtual shareholders meeting, the following matters shall be stated in the notice of convening the shareholders' meeting:

1. How shareholders attend the virtual meeting and exercise their rights.
2. The handling of obstacles to the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, incidents or other force majeure events, including at least the following:
 - (1) The time when the pre-occupational obstacle cannot be ruled out and the meeting needs to be postponed or resumed, and the date when the meeting needs to be postponed or resumed.
 - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (3) To hold a hybrid shareholders meeting, if the virtual meeting cannot be continued, after deducting those represented by shareholders attending the virtual shareholders meeting online, the total number of shares attending the shareholders meeting reaches the statutory quota for the shareholders meeting, and the shareholders meeting should continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (4) In the event that all the motions have been announced, but no provisional motion has been made, the handling method.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7

(Chairman of the shareholders meeting and non-voting members)

When a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case the Chairman is on leave or for any reason unable to exercise his powers, the vice Chairman shall act in place of the Chairman. If there is no vice Chairman or the vice Chairman is also on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the managing Directors to act as the chair, or if managing Directors have not been appointed, one of the Directors shall be appointed to act as the chair. Where the Chairman does not make such appointment, the managing Directors or the

Directors shall elect one person from among themselves to serve as chair.

Shareholders meetings convened by the Board of Directors shall be attended by a majority of the Directors.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons to attend a Shareholders Meeting with a non-voting capacity.

Article 8 (Record of audio or video recording of shareholders' meetings)

The Company shall record the shareholders' meetings by audio and video and keep the recording for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.

If the shareholders' meeting is held online, the Company shall keep records of shareholders' registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, etc. The video conference will be recorded and recorded continuously without interruption.

The information and audio and video recordings mentioned in the preceding paragraph shall be properly preserved by the Company during the period of existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

If the shareholders' meeting is held by video conference, the Company should record and record the background operation interface of the virtual meeting platform.

Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the signature book or sign-in cards handed, the shares checked in on the virtual meeting platform, and the number of shares of voting rights are exercised in writing or electronically.

The chair shall call the meeting to order at the appointed meeting time.

At the same time, relevant information such as the number of non-voting rights and the number of shares present shall be announced.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is

not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. If the shareholders' meeting is held online, the company shall also announce the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. If the shareholders' meeting is held online, shareholders who wish to attend the meeting online shall re-register with the company in accordance with Article 6.

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

Article 10 (Proposal and discussion)

If a Shareholders Meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders Meeting.

The provisions of the preceding paragraph apply to a shareholders meeting convened by a party with the power to convene that is the member of the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair according to statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunities for explanation and discussion of proposals of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote and arrange an adequate voting time.

Article 11 (Shareholders' speeches)

Before speaking, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the attendance card number) and account name. The sequence of speeches shall be determined 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.

Each attending shareholder shall make no more than two speeches for each motion and each speech shall not exceed 5 minutes unless otherwise consented by the chairman.

The chair shall retain all rights to stop any speech if the shareholder's speech violates the aforementioned principle or is outside the scope of the topic.

When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chair and the shareholder who has the floor, the chair shall stop any violation.

When a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

If a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may ask questions in text at the virtual meeting platform of the shareholders' meeting after the chairman announces the meeting and before the announcement of the adjournment of the meeting. The number of questions asked for each proposal shall not exceed two times, each time shall be limited to 200 words, and the provisions of items 1 to 5 shall not apply.

If the question mentioned in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, it is advisable to expose the question at the virtual meeting platform of the shareholders' meeting for public knowledge.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

Except for a stock agency approved by a trusted enterprise or the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. The excess voting rights shall not be counted.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders meeting, it shall allow the shareholders to exercise voting rights in writing or electronically. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person. But will be deemed to have waived his/her rights with respect to the extempore motions and revisions to the original proposals of that meeting.

A shareholder intending to exercise voting rights in writing or electronically under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights in writing or electronically, in the event the shareholder intends to attend the shareholders' meeting in person or online, he/she shall use the same mean by which the voting rights were exercised to retract the voting rights already exercised under the preceding paragraph 2 days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or electronically shall prevail. When a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholders meeting by the letter of appointment, the voting rights exercised by the proxy in the meeting shall prevail.

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 vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the shareholders shall vote, and after the shareholders meeting is held, the results of shareholders' approval, opposition, and abstention shall be entered into the Market Observation Post System.

When there is an amendment or an alternative to the same proposal, the chair shall present the amended or alternative proposal together with the

original proposal and decide the order in which they will be put to a vote.

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

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

The counting of votes shall be made public in the shareholders meeting and the results of the voting shall be reported on the spot and recorded. When this Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

If the shareholders' meeting is held online, the votes shall be counted in one go after the chairman announces the close of voting, and announce the voting and election results.

When the Company holds a hybrid shareholders meeting, shareholders who have registered to attend the shareholders' meeting online in accordance with the provisions of Article 6, who wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration two days before the shareholders' meeting; those who cancel within the time limit can only attend the shareholders' meeting online.

Those who exercise their voting rights in writing or electronically without revoking their intentions and participate in the shareholders' meeting by video conferencing shall not exercise their voting rights on the original proposal or propose amendments to the original proposal or exercise the voting rights for amendments to the original proposal, except for temporary motions.

Article 14 (Elections)

The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of voting rights with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or

sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. Electronic measures may be adopted to print and distribute meeting minutes.

Distribution of the meeting minutes as described in the preceding paragraph may be conducted by uploading them to the Market Observation Post System.

Proceedings should exactly record the year, month, day, place, name of the Chairman, resolution method, the essentials of the deliberations, and voting results (including statistical weights.) When electing directors, the number of votes each candidate has should be disclosed. It shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, the minutes of the shareholders' meeting shall record the start and end time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the record, as well as the events caused by natural disasters, incidents or other force majeure. The handling method and handling situation when an obstacle occurs to the video conferencing platform or participation by video conferencing.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 16 (Official notice)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors in writing or electronically through solicitation and the number of shares represented by proxies and the number of shares attended by shareholders, and shall make an express disclosure of the same at the place of the shareholders meeting. If the shareholders' meeting is held online, the Company shall upload the above-mentioned materials to the virtual meeting platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

The Company holds a virtual shareholders meeting. When announcing the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting are otherwise counted during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations,

the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintenance of venue order)
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.
The chair may direct the inspectors or security personnel to help maintain order at the meeting place. When inspectors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "inspector."
At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than equipment set up by the Company, the chair may prevent the shareholder from doing the same.
When a shareholder violates the rules of procedure, defies the chair's correction, obstructs the proceedings and refuses to heed order to stop, the chair may direct the inspectors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and continuation)
When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continuous use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information for video conferences)
If the shareholders' meeting is held online, the Company shall immediately disclose the voting results and election results of various proposals on the virtual meeting platform of the shareholders' meeting in accordance with the regulations. And it should continue to expose for at least fifteen minutes after the chairman announces the dismissal of the meeting.

Article 20 (Location of the chairman of the video shareholder meeting and the recorder)

When the Company holds a virtual-only shareholders meeting, the chairman and the recorder shall be in the same place. The chairman shall announce the address of the place at the meeting.

Article 21 (Handling of disconnection)

If the shareholders' meeting is held online, the Company may provide a simple connection test for shareholders before the meeting, and provide relevant services immediately before the meeting and during the meeting to assist in handling technical problems of communication.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

In accordance with the provisions of Paragraph 2, when the shareholders' meeting is postponed or resumed, the voting and counting of votes have been completed, and the voting results or the list of elected directors shall be announced. There is no need to proceed with discussions and resolutions.

The Company convened a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

In the event that the meeting should be continued in the preceding paragraph, the shareholders who participate in the shareholders' meeting online, the number of shares attended shall be included in the total number of shares of the shareholders present. However, all the resolutions of the shareholders' meeting shall be regarded as abstention. The Company shall postpone or resumed the meeting in accordance with the provisions of Paragraph 2, and shall comply with the provisions set out in Paragraph 7 of Article 44-20 of the Standards for the Handling of Shares of Public Offering Companies. Relevant preparatory work shall be handled according to the date of the original shareholders' meeting and the provisions of this article.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22 (Handling of digital gap)

When convening a virtual-only shareholders meeting, this Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23 The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Articles of Association of PANJIT International Inc.

Chapter 1 General Provisions

- Article 1: The Company is incorporated in accordance with the Company Act of the Republic of China and is named 強茂股份有限公司. The English name of the Company is PANJIT INTERNATIONAL INC.
- Article 2 The business scope of the Company is as follows:
- (1) General import and export trade business (except for business that requires governmental approval).
 - (2) Assembling, trading, and technology transfer of various mechanical parts.
 - (3) Manufacturing, processing, assembling, trading, importing and exporting of all kinds of semiconductor rectifiers.
 - (4) Import and export of resins and coatings for electronic applications in the preceding paragraph.
 - (5) Manufacturing, processing, assembling trading, importing and exporting of general precision electronic materials and components.
 - (6) Import and export trade business of products in the preceding paragraph and act as an agent of domestic and foreign manufacturers for the sale of electronic products.
 - (7) Other businesses that are not prohibited or restricted by law except for business that requires governmental approval.
- Article 2-1: When necessary for the Company's business, the Company may provide the endorsement and guarantee to others in accordance with the provisions of the Company's Procedures for Endorsement and Guarantee.
- Article 3: The Company shall have its head office in Kaohsiung City. As necessary, the Company may set up branch offices within or outside the Republic of China after being resolved by the board of directors.
- Article 4: Deleted.

Chapter 2 Shares

Article 5: The total authorized capital of the Company shall be in the amount of NT\$ 6,000,000,000 divided into 600,000,000 shares, at a par value of NT\$10 each and shall be issued in installments. The remaining of the un-issued shares may be issued thereafter upon the resolution of the board of directors when necessary.

Within the authorized capital in the preceding paragraph, NT\$100,000,000 are reserved for employee stock option, a total of 10,000,000 shares, at a par value of NT\$10 each and may be issued in installments upon the resolution of the board of directors.

Article 6: Deleted.

Article 7: The Company's shares shall be in registered form after being signed or affixed with the seals of the directors representing the Company, and may be issued after certified by a bank which is eligible to certify the issuance of the shares under the applicable law. The registered shares issued by the Company may be issued without a share certificate, as may other securities, provided that they are registered with a centralized securities depository enterprise.

Article 8: No change of shareholder's name in the register of shareholders may be made within 60 days prior to the general meeting of shareholders, within 30 days prior to the special meeting of shareholders, or within five days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

Article 8-1: Treasury shares bought back by the Company may be transferred to employees at a price lower than the average price of the shares actually bought back, provided that such plan is resolved by the shareholders' meeting attended by a majority of the total number of issued shares and approved by two-thirds of the votes of the shareholders present.

Article 8-2: The treasury shares bought back by the Company under the Company Act may be transferred to employees of the Company's controlling or subordinate companies who meet certain criteria.

The Company's employee stock options may be granted to employees of the Company's controlling or subordinate companies who meet certain criteria.

When the Company issues new shares, the employees who are eligible to subscribe the shares may include employees of the Company's controlling or subordinate companies who meet certain criteria.

The Company's employee restricted shares may be issued to employees

of the Company's controlling or subordinate companies who meet certain criteria.

The board of directors shall determine the "certain criteria" referred to above.

Chapter 3 Shareholders Meeting

- Article 9: Shareholders' meetings are classified into general meetings and special meetings. The general meeting shall be annually convened by the board of directors within six months after the end of each fiscal year pursuant to the applicable laws. The special meeting shall be convened pursuant to the applicable laws when necessary.
- Article 9-1: Shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 10: Where a shareholder is unable to attend the shareholders' meeting, such shareholder may, appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. In addition to the Company Act, the procedure for shareholders to appoint a proxy to attend a shareholders' meeting shall also be in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies issued by the competent authority.
- Article 11: Unless otherwise provided for in the Company Act or other relevant laws and regulations, each shareholder shall have one voting power in respect of each share in his/her/its possession.
- Article 12: Unless otherwise provided for in the Company Act, a shareholders' meeting resolution shall be adopted by a majority vote in a shareholders' meeting attended by shareholders in person or proxies representing a majority of the Company's issued shares.

Chapter 4 Directors and Audit Committee

- Article 13: The Company shall have seven to eleven directors, each with a term of office of three years. Directors shall be elected at a shareholders' meeting from persons of legal capacity and the directors are eligible for re-election. The total shareholding of the directors shall be subject to rules prescribed by the relevant securities regulatory authority.

Among the abovementioned number of directors, the number of

independent directors shall not be less than three (at least one of them shall have accounting or financial expertise) and shall not be less than one-fifth of the total number of directors.

The election of directors adopts a candidate nomination system, and shareholders shall elect directors from a list of director candidates in accordance with Article 192-1 of the Company Act.

Independent directors and non-independent directors shall be elected together and the number of the elected independent and non-independent directors shall be calculated separately. The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors and other matters to be followed shall be subject to relevant rules prescribed by the securities regulatory authority.

Article 13-1: The Company established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors. The number of members, term of office, duties and rules of procedure of the Audit Committee shall be in accordance with the relevant provisions of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and shall be stipulated in the Audit Committee Charter.

Article 14: The board of directors shall be composed of directors. The chairman of the board shall be elected from among directors by a majority vote at a board meeting attended by two-thirds or more of the directors. The chairman shall be the representative of the Company.

Article 15: In the event that the chairman of the board of directors is on leave or cannot exercise his powers and authorities for any cause, he shall designate a director to act on his behalf. If the chairman of the board of directors does not designate a proxy, the directors shall appoint a proxy of the chairman from among themselves.

Article 15-1: In case the director is unable to attend a meeting of board of directors, he may issue a written proxy with his signature and seal, listing the scope of the authority with reference to the subjects to be discussed at the meeting and appoint one of the other directors as his proxy to attend the meeting. A director may only act as the proxy of one other director.

In case a meeting of the board of directors is proceeded via video conference, then the directors taking part in such a video conference shall be deemed to have attended the meeting in person.

Notices for convening the meetings of the board of directors shall be delivered to each director in writing, by E-mail or by facsimile no later than seven days prior to the meeting.

In the event of emergency, the meeting of the board of directors can be

convened anytime and the notices may also be delivered in writing, by e-mail or by facsimile.

Article 16: The remuneration of all directors shall be paid regardless whether the Company has profits or suffers losses, and is authorized to be decided by the board of director depending on the standard generally adopted by other enterprises in the same industry.

Chapter 5 Managerial office

Article 17: The Company shall have managerial officers, and the appointment, discharge and remuneration of the managerial officers shall be decided in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18: At the close of each fiscal year, the following reports shall be prepared by the board of directors, submitted to the general meeting of shareholders for acceptance:

1. Business Report.
2. Financial statements.
3. Proposal for distribution of earnings or for covering of loss.

Article 19: If the Company makes profits in a year, it shall distribute not less than 6% as the employees' bonuses and not more than 2% as the remuneration of directors. However, if the Company has accumulated losses, it shall reserve an amount for covering losses in advance.

The aforementioned employee' bonuses may be distributed in the form of stock or cash, and may include employees of the Company's controlling or subordinate companies who meet certain criteria, as determined by the board of directors.

Article 19-1: If the Company has any earnings after annual settlement, the earning shall be first used to pay taxes and cover past losses. Then, 10% of the remaining balance of the earnings shall be provided as legal reserve and the special reserve shall be provided or reversed in accordance with the regulations of the competent authority, and after that, the board of directors shall make a proposed distribution of the remaining balance of the earnings. When the remaining balance was distributed in the form of new stocks, it shall be distributed after the proposed distribution have been submitted to and resolved by the general meeting of shareholders.

If the Company would like to distribute the dividends and bonuses in whole or in part in the form of cash in accordance with Paragraph 5, Article 240 of the Company Act, it authorizes the board of directors to resolve such proposed distribution by a majority vote at a board meeting attended by two-thirds or more of the directors, and to report such distribution to the shareholders' meeting.

Article 19-2: The Company's dividend policy is determined by the board of directors in accordance with its operating plan, investment plan, capital budget and changes in internal and external environment. The Company's business is in a capital-intensive industry and is currently in a stage of operational growth. In consideration of the Company's future capital needs and long-term financial planning, and to meet shareholders' needs for cash inflows, the principles for the distribution of earnings are as follows: Cash dividends are preferred over stock dividends, provided that the total amount of cash dividends to be distributed shall not be less than 10% of the total amount of distributed cash and stock dividend.

Article 19-3: In accordance with Article 241 of the Company Act, the Company will issue all or part of the legal reserve and capital reserve as new shares or cash in proportion to the shareholders' original shares. When cash is assigned, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to make a resolution and report to the shareholders meeting. When new shares are issued, they shall be distributed after a resolution of the shareholders meeting.

Chapter 7 Supplementary Provisions

Article 20: The Company may invest more than 40% of the paid-in capital in reinvestment and the board of directors is authorized to execute the matters.

Article 21: Any matters not provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

Article 22: This Articles of Association was established on April 23, 1986.

The 1st amendment was made on May 13, 1986.

The 2nd amendment was made on June 12, 1986.

The 3rd amendment was made on June 4, 1988.

The 4th amendment was made on April 22, 1993.

The 5th amendment was made on December 28, 1993.

The 6th amendment was made on May 1, 1994.

The 7th amendment was made on November 11, 1994.

The 8th amendment was made on January 20, 1996.

The 9th amendment was made on June 10, 1997.

The 10th amendment was made on June 21, 1997.

The 11th amendment was made on March 28, 1998.

The 12th amendment was made on October 6, 1998.

The 13th amendment was made on April 29, 1999.

The 14th amendment was made on April 29, 1999.

The 15th amendment was made on March 31, 2000.

The 16th amendment was made on March 31, 2000.

The 17th amendment was made on April 24, 2001.

The 18th amendment was made on May 17, 2002.

The 19th amendment was made on May 17, 2002.

The 20th amendment was made on June 2, 2003.

The 21st amendment was made on May 21, 2004.

The 22nd amendment was made on June 17, 2005.

The 23rd amendment was made on June 13, 2007.

The 24th amendment was made on June 10, 2009.

The 25th amendment was made on June 10, 2011.

The 26th amendment was made on June 16, 2016.

The 27th amendment was made on June 13, 2017.

The 28th amendment was made on June 12, 2018.

The 29th amendment was made on June 13, 2019.

The 30th amendment was made on June 14, 2022.

PANJIT International Inc.

Chairman: FANG, MIN-CHING