

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail



Stock Code: 1598

Dyaco International Inc.

Handbook for the 2023 Annual General Meeting of Shareholders

Date : May 26, 2023

Location : No.1, Gong 1st Rd., Hemei Township, Changhua County

(Meeting Center at Dyaco's Headquarters, Chuansing Industrial Park)

Shareholders' meeting will be held by means of physical shareholders meeting

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

Dyaco International Inc. (the “Company”)
Handbook for the 2023 Annual General Meeting of Shareholders (the “Handbook”)
Table of Contents

Meeting Procedures.....	1
Meeting Agenda	2
Attachment	
Attachment A Business Report.....	11
Attachment B Audit Committee’s Review Report	18
Attachment C Remuneration to Individual Directors for 2022.....	19
Attachment D Earnings Distribution Table for 2022	20
Attachment E Implementation Status Report of the Company’s Treasury Share	21
Attachment F Comparison Table for Rules of Procedure for Board of Directors	
Meetings	23
Attachment G Sustainable Development Best Practice Principles.....	26
Attachment H Sustainable development guidelines and concrete promotion plans	39
Attachment I Rules Governing Financial and Business Matters Between this	
Corporation and its Affiliated Enterprises.....	41
Attachment J Standalone and Consolidated Independent Certified Public	
Accountant Report for 2022	51
Attachment K Standalone and Consolidated Financial Statement for 2022.....	58
Attachment L List of Director Candidates	71
Attachment M Content of Non-competition on Directors.....	74
Appendix	

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

Appendix I Articles of Incorporation.....	75
Appendix II Rules of Procedure for Shareholders Meetings	84
Appendix III Procedures for Election of Directors	97
Appendix IV Shareholdings of Directors and Independent Directors	101

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

Dyaco International Inc.

Annual Shareholders' Meeting Procedure for 2023

1. Chairperson to announce the commencement of meeting
2. Chairperson's address
3. Report matters
4. Ratifications matters
5. Election matters
6. Other matters
7. Motions
8. Adjournment

Dyaco International Inc.

2023 Shareholders' Meeting Agenda

Date : 9:00 a.m., May 26, 2023 (Friday)

Location : No.1, Gong 1st Rd., Hemei Township, Changhua County

(Meeting Center at Dyaco's Headquarters, Chuansing Industrial Park)

I. Chairperson to announce the commencement of meeting

II. Chairperson's address

III. Report matters

1. To report the business of 2022.
2. To report the Audit Committee's Review Report of 2022.
3. To report 2022 employees' profits sharing bonus and directors' compensation.
4. To report 2022 remuneration paid to individual directors (including the correlation among the remuneration payment policy, standards and combination, and management performance).
5. To report the proposal for cash distribution of 2022 earnings.
6. To report the implementation of shares repurchase.
7. Amendment to the "Rules of Procedure for Board of Directors Meetings"
8. Establish the Company's "Sustainable Development Practice Guidelines," sustainable development policies, and specific implementation plans.
9. Establishing the Company's "Regulations on Financial Business Operations between Related Parties".

IV. Ratifications matters

1. To accept 2022 Business Report and Financial Statements.
2. To approve the proposal for distribution of 2022 earnings.

V. Election matters

Election of the 12th Director

VI. Other matters

To approve the lifting of non-competition restrictions on new directors.

VII. Motions

VIII. Adjournment

Report matters

Report matter 1

- Subject : To report the business of 2022.
- Description : 1. 2022 Business Report can be found on page 11.
2. Please review.

Report matter 2

- Subject : To report the Audit Committee's Review Report of 2022.
- Description : 1. 2022 Audit Committee's Review Report can be found on page 18.
2. Please review.

Report matter 3

- Subject : To report 2022 employees' profits sharing bonus and directors' compensation.
- Description : 1. The Company's pre-tax net loss for the year 2022, after deducting employee and director remuneration, is NT\$31,368,606. In accordance with the provisions of Article 24 of the Company's Articles of Association, no director remuneration will be distributed in the absence of profit.
2. Please review.

Report matter 4

- Subject : To report 2022 remuneration paid to individual directors (including the correlation among the remuneration payment policy, standards and combination, and management performance).
- Description : (1) The remuneration paid by the Company to the directors in 2022 refers to the remuneration of the directors for the performance of their business, and the compensation of the directors allocated. In the event of moral hazard, other adverse events that may impair the Company's reputation or goodwill, internal mismanagement, or corrupt practices, the reasonable compensation to directors shall be adjusted with respect to their participation in and contribution to the operations. The Board of Directors is authorized to distribute compensation in accordance with the Remuneration Committee's assessment and the typical pay levels adopted by peer companies.
- (2) The Articles of Incorporation states that directors can be paid up to 5% of net profits as remuneration. Therefore, the Company follows the provisions of the Remuneration Committee's charter and the remuneration reviewed by the Committee is as follows.
- A. To prioritize the interests of shareholders and employees based on the current year's operating results.

- B. The remuneration to independent directors is higher than that to the directors because they serve as members of functional committees and have the responsibility to participate in discussions and resolutions at committee meetings. The Company's pre-tax net loss for the year 2022, after deducting employee and director remuneration, is NT\$31,368,606. In accordance with the provisions of Article 24 of the Company's Articles of Association, no director remuneration will be distributed in the absence of profit.
- (3) The remuneration to individual directors for 2022 can be found on page 19.
- (4) Please review.

Report matter 5

- Subject : To report the proposal for cash distribution of 2022 earnings.
- Description :
1. The 2022 profit distribution program of the Company has been submitted by Borad, in accordance with Article 25 of the Articles of Incorporation of the Company and Article 241-1 of Company Art, and a report of such distribution shall be submitted to the shareholders' meeting. Earnings Distribution Table for 2022 can be found on page 20 and was approved at the meeting of Board of Directors on March 23, 2023.
 2. The Company's 2022 loss after tax amounted to NT\$76,130,101, plus adjustments for retained earnings, reversal of special reserve and unappropriated earnings at the beginning of the period, resulting in accumulated distributable earnings of NT\$282,328,368. The proposed distribution is NT\$62,813,377, and cash dividend is NT\$0.50 per share. The cash dividends distributed to each shareholder will be rounded down to the nearest dollar. The total amount under NT\$1 due to the rounding off will be recognized as the Company's other income.
 3. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Director be authorized to resolve the ex-dividend date, ex-rights date and other relevant issues.
 4. In the event of a change in the cash distribution due to a change in the number of outstanding shares of the Company prior to the ex-dividend date, it is proposed that the Board of Directors be authorized to handle the relevant matters.
 5. Please review.

Report matter 6

- Subject : To report the implementation of share repurchase.
- Description :
1. The implementation of the stock buyback plan can be found on page 21.
 2. Please review.

Report matter 7

- Subject : Amendment to the "Rules of Procedure for Board of Directors Meetings".
- Description :
1. In order to comply with the changes to the law and operating, it is proposed to amend certain provisions of the "Procedures for Ethical Management and Guidelines for Conduct" can be found on page 23.
 2. Please review.

Report matter 8

- Subject : Establish the Company's "Sustainable Development Practice Guidelines," sustainable development policies, and specific implementation plans.
- Description :
1. In order to help the Company practice corporate social responsibility and promote economic, environmental, and social progress to achieve the goal of sustainable development, the Company has established sustainable development practice guidelines. It can be found on page 26.
 2. In response to the competent authority's promotion of sustainable development and to provide a basis for the Company to address relevant issues, the Company has established sustainable development policies and specific implementation plans. It can be found on page 39.
 3. Please review and advise.

Report matter 9

- Subject : Establishing the Company's "Regulations on Financial Business Operations between Related Parties".
- Description :
1. In order to provide a basis for the Company to implement business with related parties, we have formulated regulations on financial business operations between related parties. It can be found on page 41.
 2. Please review and advise.

Ratifications matters

Ratifications matter 1 (Proposed by the Board of Directors)

Subject : To accept 2022 Business Report and Financial Statements.

Description : 1. The above consolidated financial statements including balance sheet, income statement, statement of changes in shareholders' equity, cash flow statement and business report were approved by resolution of the Board of Directors and submitted for the Audit Committee's review. The financial statements were audited by independent auditors Mr. Hsieh, Chien-Hsin and Ms. Liao, Wan-I of Deloitte Taiwan.

2. 2022 Business Report can be found on page 11.

3. Standalone and Consolidated Independent Certified Public Accountant Report for the year of 2022 can be found on page 51.

4. Standalone and Consolidated Financial Statement for the year of 2022 can be found on page 59.

5. Please accept the aforementioned.

Resolution:

Ratifications matter 2 (Proposed by the Board of Directors)

Subject : To approve the proposal for distribution of 2022 earnings.

Description : 1. The Company's 2022 audited after-tax loss amounted to NT\$ 76,130,101. After adjusting for retained earnings, special reserve, and adding unappropriated retained earnings in the previous year, a total of NT\$ 282,328,368 is available for distribution and the proposed cash distribution is NT\$62,813,377.

2. The Earnings Distribution Table for 2022 can be found on page 12 and was approved at the meeting of Board of Directors on March 23, 2023.

3. Please accept the aforementioned.

Resolution:

Election matters

Election matter 1 (Proposed by the Board of Directors)

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

Subject : Election of the 12th Directors.

Description :

1. The Company's 11th Board of Directors has its tenure expired on May 25, 2023. Following the provision of Articles of Association of the Company, there shall be 7 directors elected in this election (incl. 4 independent directors). They are for a term of 3 years, between May 26 2023 and May 25, 2026.
2. According to Article 192-1 of Company Act, directors and independent directors are elected using a nomination system. All nominated candidates had been reviewed and approved at the meeting of Board of Directors on March 23, 2023.
3. List of Candidate for Directors can be found on page 71.
4. Please Vote.

Election Result:

Other Matters

Other matter 1 (Proposed by the Board of Directors)

Subject : To approve the lifting of non-competition restrictions on new directors.

Description :

1. According to Article 209 of Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. For the newly elected independent director who does anything stipulated, without prejudicing the interests of the Company, the release of the prohibition on such director from participation in competitive business is proposed for approval. The list of the lifting of non-competition restrictions on new directors can be found on page 74.
3. The proposal is submitted for discussion.

Resolution :

Motions

Adjournment

Dyaco International Inc.
2022 Business Report

Dear shareholders:

First of all, thank you for your long-term support and love for Dyaco International Inc.

The global economy in 2022 was originally expected to continue to recover. However, military conflicts between Russia and Ukraine broke out in the first quarter, leading to soaring global energy and raw material prices. In the second quarter, China implemented strict containment measures due to the outbreak of the epidemic, causing a further blow to the global supply chain. In view of the ongoing inflationary pressures in Europe and the United States, the US has rapidly raised interest rates and reduced bond purchases since March to inhibit inflation. This has led to significant devaluation of non-US currencies, which in turn has caused a surge in imported inflationary pressures in many countries. The rising cost of living worldwide this year has suppressed the recovery of the fitness equipment market due to increased inhibition.

Dyaco Group must comprehensively transform and enhance its competitiveness, including accelerating product development, responsiveness to market changes, responding to user needs, promoting employee innovation, and improving operational efficiency, which are our urgent goals. Here is a report on the 2022 business results, the 2023 business plan, and future development strategies:

I. 2022 Business Report

(I) Business Plan Implementation Results

The global economy has been under strain since the COVID-19 pandemic swept the world. With the easing of the pandemic, 2022 was supposed to be a year of economic recovery. However, due to new wars, record-high inflation rates, and climate disasters, people's consumption behavior has become more cautious, leading to the inhibition of the global fitness equipment sales market. As a result, the overall operating revenue in 2022 decreased by 39% compared to the same period last year. At the same time, affected by the rising costs of global raw materials and various other expenses, the gross profit margin has declined, resulting in a net loss of NT\$0.95 billion after tax and a loss of NT\$0.61 per share.

(II) Budget Implementation Status

The Company did not disclose financial forecasts for 2022, the overall operating performance was affected by the economic environment and market competition, and did not meet the Company's internally formulated business plans.

(III) Financial Income and Profit Analysis

1. Financial Income

Unit: NT \$1,000

	2021		2020		Increase (Decrease)
	Amount	%	Amount	Amount	%
Net Operating Revenue	7,122,411	100%	11,742,081	100%	-39%
Operating Costs	5,037,256	71%	7,684,679	65%	-34%
Gross Profit	2,085,155	29%	4,057,402	35%	-49%
Operating Expenses	2,441,738	34%	3,269,189	28%	-25%
Other Operating Income and Expenses	-27,647	0%	-2,840	0%	873%
Profit (Loss) from Operations	-384,230	-5%	785,373	7%	-149%
Non-Operating Income and Expenses	303,169	4%	-236,910	-2%	-228%
Profit (Loss) before Income Tax	-81,061	-1%	548,463	5%	-115%
Income Tax Expenses (Benefit)	-13,622	0%	-104,865	-1%	-87%
Net Income (Loss)	-94,683	-1%	443,598	4%	-121%

2. Profitability analysis

Item		2021	2020
Liquidity	Quick Ratio (%)	99.41	131.49
	Times Interest Earned	47.24	63.88
	Average Collection Turnover (Times)	0.04	9.01
Operating ability	Average Inventory Turnover (Times)	5.19	4.85
	Return on Total Assets (%)	1.55	2.30
Profitability	Return on Equity (%)	-0.22	3.92
	Net Margin (%)	-2.24	9.59
	Earnings Per Share (NT\$)	-1.33	3.78
	Quick Ratio (%)	-0.61	3.47

(IV) Research and Development Status

The Company's technology is mainly based on the integration of our Research & Development team, domestic upstream manufacturers, market demand, and research institutions. Through marketing personnel for closer access to the market and customers, we can better understand the development trends of products and the application of new technologies, and carry out product and technology development. When necessary, we will hire relevant consultants for advice, cooperate with schools and research institutions for technology development, making the overall product development efficiency and effectiveness faster and more efficient than competitors.

List of R&D achievements in 2022:

1. Assisted Bicycle
2. Full-view multimedia touchscreen elliptical machine, exercise bike, and recumbent bike
3. Folding elliptical machine
4. Rowing training machine

II. Summary of 2023 Business Plan

(I) Management Policy

1. Adhering to the core values of "Brand, Service, and Innovation" for the Company management, developing products and creating value based on people's needs, focusing on providing consumers with simple, comfortable, and safe products, and continuously improving people's health, sports, and leisure life quality.
2. What we offer to our customers is not just a product, but also includes brand beliefs, product creativity, and after-sales experience, thereby enhancing relationships with partners; with this framework, we will continue to expand our own brands SOLE, SPIRIT, and XTERRA, as well as the authorized brand UFC's international market share.
3. Diversifying and expanding new products and brands, developing a new electric-assisted bicycle brand CIKADA, adding UFC mixed martial arts brand weight training, combat fighting, and related training equipment, focusing on the medical technology field's needs for physical treatment and elderly rehabilitation equipment, and cooperating with the American smart fitness content producer STUDIO, combining STUDIO's online fitness courses with Dyaco's fitness equipment, etc.

4. Making the right decisions on key issues and not living in past successes, Dyaco will continue to commit to innovation in R&D technology, collaborate with academia, and extend the Company's R&D advantages by entering the medical rehabilitation equipment field. This way, the Company's products can benefit not only the general public but also people with mobility issues or elderly family members, allowing everyone to enjoy the fun of sports and better care for those in need of help. After all, having a healthy body leads to a better quality of life.

(II) Marketing Policy

1. Establish e-commerce marketing tools to increase market share beyond physical channels.
2. Strengthen third-party sales platform materials and search engine resources to increase brand exposure in local markets.
3. Continuously develop brand agents in various countries while establishing brand communication platforms.
4. Integrate the official company website and fan pages to improve the Company's image in Taiwan and enhance the exposure of domestic products.
5. Enhance the function of the Company's website and deepen the impression with product press releases.
6. Standardize the design of global physical channel marketing materials.

(III) Research and Development Policy

1. Actively develop new models for each brand series, offering diverse choices for consumers.
2. Provide cost-effective, practical, and aesthetically pleasing products under certain quality standards, and further introduce intelligent cloud platforms.
3. Strengthen collaboration with academia and continue to enter the medical rehabilitation equipment field, developing products suitable for the elderly and those with mobility impairments.
4. Develop new intelligent light commercial and commercial equipment series.
5. Combine IoT and wearable devices with sports equipment control, developing products with richer entertainment connections (APP software and 3C product control).

(IV) Production Policy

1. Moderately expand production capacity and improve production efficiency to ensure timely delivery, quality improvement, and cost reduction.
2. Integrate the industrial supply chain, enhance management efficiency and quality reliability, establish information sharing mechanisms, quickly respond to end-market demand, and reduce inventory costs while increasing added value.

III. Future Company Development Strategy

(I) Consistently Innovating Product Technology

In addition to fitness equipment, Dyaco will continue to care for people. Apart from taking care of the general public's sports and leisure quality, it also wants to take care of the elderly and those with limited mobility, allowing them to enjoy the fun of sports. Therefore, the Company will continue to strengthen cooperation with the academic community to develop fitness and rehabilitation equipment that meets the needs of all levels, and innovate in research and development technology, enhancing the interaction mode between athletes and machines, allowing everyone to enjoy exercising and feel safe doing it, thereby providing people with a different understanding and definition of sports.

(II) Developing Health and Rehabilitation Products

Influenced by the trend of exercise and health as well as the arrival of an aging society, the health and care industry has moved away from the traditional service industry atmosphere. Increasingly, more cases of IoT (Internet of Things) technology, AI artificial intelligence, and sensor technology applications have emerged, contributing to the thriving development of the health and care industry. Dyaco is committed to the long-term development of safe rehabilitation equipment, combining research and innovation capabilities, production technology and scale, and marketing channel strength to provide the best medical rehabilitation equipment worldwide, while also exploring new business opportunities beyond traditional sports and fitness equipment. This year, the Company has officially launched a series of rehabilitation equipment products and is actively promoting sales in various markets.

(III) Developing The Brand

Adhering to the core values of "Brand, Service, and Innovation" for the Company management, we provide not only products but also brand beliefs, product creativity, and after-sales service experiences to our customers, enhancing relationships with partners.

We continue to develop brand agents in various countries while establishing brand communication platforms to expand the market share of our own brands SOLE, SPIRIT, XTERRA, and licensed brand UFC, as well as develop the new electric-assisted bicycle brand CIKADA.

(IV) Sticking to Principles and Beliefs

1. Our commitment to product quality and customer promises remains unchanged.
2. Our pursuit of excellence and change in research, development, and design remains unchanged.
3. Our principle of integrating the supply chain to benefit both customers and suppliers remains unchanged.
4. Our belief in promoting the brand, deepening local channels, and benefiting more people remains unchanged.
5. Our principle of cultivating international talents and localized management teams remains unchanged.

IV. Affected by External Competitive, Regulatory and Overall Operating Environment.

The global economic outlook for 2023 is generally slower and more severe than expected, with inflation at its highest level in decades. The financial environment in most regions continues to tighten, the Russia-Ukraine war, and the ongoing COVID-19 pandemic all have serious impacts on economic prospects, leading to a cost-of-living crisis and affecting people's real purchasing power. There are still many uncertain political and economic factors affecting economic performance, and companies continue to face a severe overall operating environment. However, we remain optimistic about the future development of the Company, especially as the sales explosion in 2020 has helped to increase brand market share and recognition, and improve our capabilities in marketing, logistics, and after-sales service, creating stronger competitiveness. At the same time, through the integration of the upstream and downstream layout, we can leverage corporate resources, achieve synergy, and capture more market opportunities.

Overall, in the face of rapidly changing markets and rising production costs, the challenges faced by businesses are becoming increasingly severe. We believe that by adhering to the Company's core management philosophy of sustainable operation, continuously following the Company's planned steps to steadily layout local markets, establishing an innovative

growth-oriented corporate culture, fulfilling corporate social responsibility, and taking care of more people in need, we can maintain our competitive advantage and accumulate more strengths, allowing shareholders, customers, and employees to share in the fruitful business results.

Sincerely yours,

Chairman: Lin, Ing-Gin

General Manager: Chen, Ming-Nan

Chief Accountant Officer: Chiu, Yuan-Shen

Dyaco International Inc.
Audit Committee's Review Report

(This English version is only a translation of the Chinese version)

The Board of Directors has prepared and submitted the 2022 consolidated financial statements (including standalone financial statements), business report, and earnings distribution proposal. Independent auditors Mr. Hsieh, Chien-Hsin and Ms. Liao, Wan-I of Deloitte & Touche Taiwan audited the consolidated financial statements (including standalone financial statements) and has issued an audit report. These have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Dyaco International Inc.

Audit Committee convener: Hsieh, Chang-Hung

March 29, 2023

Dyaco International Inc.

Remuneration to Individual Directors for 2022

Unit: NT\$1,000; 1,000 Shares; %

Title	Name	Remuneration								The Aggregate of A, B, C, and D as Percentage of Net Income		Relevant Remuneration Received by Who are also Employees								The Aggregate of A, B, C, D, E, F and G as Percentage of Net Income		Any Other Compensa tions from Other Investees or Parent Comany
		Base Compensation (A)		Severance Pay and Pensions (B)		Directors' Compensation (C) (Note 1)		Business- conducting Expenses (D)				Salaries, Bonuses and Special Allowances (E)		Severance Pay and Pensions (F)		Employees' Compensation (G)						
		From Dyaco	From All Consolid ated Entities	From Dyaco	From All Consolid ated Entities	From Dyaco	From All Consolid ated Entities	From Dyaco	From All Consolid ated Entities	From Dyaco	From All Consolida ted Entities	From Dyaco	From All Consolidat ed Entities	From Dyaco	From All Consolid ated Entities	From Dyaco		From All Consolidated Entities		From Dyaco	From All Consolid ated Entities	
Chairman	Lin, Ing-Gin	3,573	3,573	-	-	-	-	3,276	3,276	6,849 Note 1	6,849 Note 1	-	-	-	-	-	-	-	-	6,849 Note 1	6,849 Note 1	-
Director	Zhuang, Zhu-Wei	-	-	-	-	-	-	90	90	90 Note 1	90 Note 1	-	-	-	-	-	-	-	-	90 Note 1	90 Note 1	-
Director	Chang, Chih-Chuan	-	-	-	-	-	-	90	90	90 Note 1	90 Note 1	-	-	-	-	-	-	-	-	90 Note 1	90 Note 1	-
Director	Wanshida Construction Co., Ltd. Representative: Li, Bo-Yi	-	-	-	-	-	-	45	45	45 Note 1	45 Note 1	-	-	-	-	-	-	-	-	45 Note 1	45 Note 1	-
Independent Director	Hsieh, Chang-Hung	600	600	-	-	-	-	90	90	90 Note 1	90 Note 1	-	-	-	-	-	-	-	-	90 Note 1	90 Note 1	-
Independent Director	Wang, Kai-Li	600	600	-	-	-	-	90	90	90 Note 1	90 Note 1	-	-	-	-	-	-	-	-	90 Note 1	90 Note 1	-
Independent Director	Wang, Chih-Cheng	600	600	-	-	-	-	90	90	90 Note 1	90 Note 1	-	-	-	-	-	-	-	-	90 Note 1	90 Note 1	-

Note 1 : The Company's loss for the year 2022, not applicable

Note 2 : Please describe the policies, systems, standards, and structure of independent directors' remuneration, and explain the relevance with the amount of remuneration based on their responsibilities, risks, and time investment:
Pursuant to Article 24 of the Company's Articles of Incorporation, the remuneration of the directors of the Company shall be distributed at a rate not exceeding 5% of the profitability of the current year. The procedures for determining remuneration shall be subject to the regulations on the Company's Board of Directors' self-evaluation or peer review. Article 21 of the Company's Articles of Incorporation states that the compensation of directors shall be determined by the Remuneration Committee regarding the extent of their participation in and contribution to the operations, with the reasonable fairness of performance risks linked to the compensation received, and the Board of Directors authorized to make payments in accordance with the Remuneration Committee's assessment and the usual standards of the industry.

Note 3 : Except for the disclosure above, remuneration paid to the Company's directors for their services to all the companies listed in the financial statements (e.g., serving as a non-employee adviser): None.

Dyaco International Inc.
Earnings Distribution Table
Year Ended December 31, 2022

Unit: NT\$

Item	Amount
Net Loss of 2022	(76,130,101)
Plus: Remeasurement of Defined Benefit Obligation Recognized in Retained Earnings	2,067,370
Total Amount of After-Tax Net Income for 2022 and Other Items Adjusted to The Current Year's	(74,062,731)
Plus: Reversal Special Reserves	111,910,312
2022 Distributable Earnings	37,847,581
Plus: Unappropriated Earnings of Previous Years	252,800,860
Less: Adjustments to Unappropriated Earnings of Previous Years	(505,347)
Less: Adjustment to capital surplus due to non-proportional investment in investee's increase in capital	(7,814,726)
Distributable Earnings as of December 31, 2022	282,328,368
Distributable Items:	
Less: Dividends to Shareholders (NT\$0.5/per share)	(62,813,377)
Unappropriated Earnings	219,514,991

Note 1: Earnings available for distribution by the end of 2022 shall be distributed first.

Note 2: The dividend distribution was calculated based on the number of 125,626,754 shares outstanding at the time of the Board of Directors' resolution on March 23, 2023. The actual dividend distribution rate was calculated based on the number of shares outstanding on the ex-dividend date.

Note 3: Pursuant to Article 25 of the Articles of Incorporation, the Company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution by the Board of Directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Dyaco International Inc.**Implementation Status Report of the Company's Treasury Share**

Treasury stocks in batches		1 st Batch	2 nd Batch	3 rd Batch
Scheduled buyback plan	Date of Board resolution	December 21, 2017	February 21, 2020	March 20, 2020
	Purpose of stock buyback	Transfer ownership of shares to employees	Transfer ownership of shares to employees	Transfer ownership of shares to employees
	Scheduled buyback period	2017/12/22~2018/02/21	2020/02/24~2020/04/23	2020/03/23~2020/05/19
	Scheduled buyback shares	4,000,000 shares	3,000,000 shares	4,500,000 shares
	Price range	NT\$30~NT\$50	NT\$30~NT\$50	NT\$25~NT\$45
	Scheduled buyback shares (as a percentage of issued shares) (Note 1)	4.30%	2.61%	3.91%
	Maximum amount of buyback shares	NT\$950,382,893	NT\$1,002,912,315	NT\$1,002,912,315
Execution of the buyback plan	Actual buyback period	2017/12/22~2018/02/21	2020/02/27~2020/03/20	2020/03/23~2020/04/08
	Actual buyback shares (as a percentage of issued shares) (Note 2)	2.61%	2.61%	1.36%
	Actual amount of buyback shares	NT\$172,339,773	NT\$104,927,035	NT\$50,663,964
	Average price per share	NT\$43.08	NT\$34.98	NT\$32.37
	Reasons for incompleteness	Completed	Completed	To protect the interests of shareholders and balance market mechanism, the Company adopts batch buying strategies depending on stock price changes. Therefore, the buyback is not completed.
Status		Nullified	Not Nullified	Not Nullified

【Attachment E】

Treasury stocks in batches		4 th Batch	5 th Batch
Scheduled buyback plan	Date of Board resolution	September 29, 2021	May 11, 2022
	Purpose of stock buyback	Transfer ownership of shares to employees	Transfer ownership of shares to employees
	Scheduled buyback period	2021/09/30~2021/11/29	2022/05/12~2022/07/11
	Scheduled buyback shares	4,000,000 shares	3,000,000 shares
	Price range	NT\$45~NT\$90	NT\$40~NT\$65
	Scheduled buyback shares (as a percentage of issued shares) (Note 1)	2.99%	2.24%
	Maximum amount of buyback shares	NT\$2,937,819,581	NT\$2,937,819,581
Execution of the buyback plan	Actual buyback period	2021/09/30~2021/09/29	2022/05/12~2022/07/11
	Actual buyback shares (as a percentage of issued shares) (Note 2)	1.86%	1.74%
	Actual amount of buyback shares	NT\$156,988,000	NT\$96,415,064
	Average price per share	NT\$63.10	NT\$41.24
	Reasons for incompleteness	To protect the interests of shareholders and balance market mechanism, the Company adopts batch buying strategies depending on stock price changes. Therefore, the buyback is not completed.	To protect the interests of shareholders and balance market mechanism, the Company adopts batch buying strategies depending on stock price changes. Therefore, the buyback is not completed.
Status		Not Nullified	Not Nullified

Note 1: Calculated based upon the total issued shares of the Company at the time the buyback was reported.

Note 2: Calculated based upon the total issued shares of the Company after expiration of period or completion of execution.

Comparison Table for Rules of Procedure for Board of Directors Meetings

After the Revision	Before the Revision	Description
<p><u>Article 3</u> (Convening and notice of board meetings)</p> <p>A. The board of directors shall meet at least quarterly.</p> <p>B. A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>C. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised.</p>	<p><u>Article 3</u> (Convening and notice of board meetings)</p> <p>A. The board of directors shall meet at least quarterly.</p> <p>B. A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>C. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised <u>by an extraordinary motion except in the case of an emergency or for other legitimate reason.</u></p>	<p>In view of the important matters of the Company management, the agenda should be clearly stated to provide directors with sufficient information and time to evaluate proposals before making decisions. Therefore, the items to be discussed are deleted and specified, and they should be listed in the agenda and not raised as temporary motions.</p>
<p>Article 12 (Matters requiring discussion at a board meeting)</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> 1. The Corporation's business plan. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that 	<p>Article 12 (Matters requiring discussion at a board meeting)</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> 1. The Corporation's business plan. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are 	<p>Since the dismissal and appointment of the Chairman are both important matters of the Company, a new clause six is added, stating that if the board of directors does not have an executive director, the</p>

<p>are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).</p> <p>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.</p> <p>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></p> <p>7. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or</p>	<p>not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).</p> <p>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.</p> <p>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph</p>	<p>appointment or dismissal of the Chairman should be brought up for discussion at the Board meeting.</p>
---	---	---

<p>bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>(OMITTED)</p>	<p><u>7</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>(OMITTED)</p>	
--	--	--

Dyaco International Inc.
Sustainable Development Best Practice Principles

Chapter 1 General Principles

Article 1

The Company are advised to promulgate their own sustainable development principles in accordance with the Principles to manage their economic, environmental and social risks and impact.

Article 2

The Principles apply to the Company, including the entire operations of each such company and its business group.

The Principles encourage the Company to actively fulfill sustainable development in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.

Article 3

In promoting sustainable development initiatives, the Company listed companies shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 4

To implement sustainable development initiatives, the Company are advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.

3. Preserve public welfare.
4. Enhance disclosure of corporate sustainable development information.

Article 5

The company shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6

The Company are advised to follow the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, and the Code of Ethical Conduct to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7

The directors of the Company shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:

1. Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;

2. Making sustainable development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8

The Company are advised to, on a regular basis, organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9

For the purpose of managing sustainable development initiatives, the Company are advised to create a governance structure for promotion of sustainable development, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The Company are advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

Article 10

The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders

through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11

The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

The Company are advised to endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13

The Company are advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14

The Company are advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15

The Company are advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16

To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures. The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The Company are advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The Company are advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.

3. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the company.

The Company are advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation,

and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19

The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20

The Company are advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company are advised to organize training on safety and health for their employees on a regular basis.

Article 21

The Company are advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22

The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and

decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives. The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1

The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

Article 23

The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24

The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud

or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25

The Company are advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company are advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26

The Company are advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. The Company are advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, TWSE/TPEX listed companies are advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27

The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company are advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Article 27-1

The company would continue to utilize donations, sponsorships, investments, procurements, strategic cooperations, voluntary technical services of corporations, and additional support forms to promote support cultural and creative developments, as well as artistic activities.

Chapter 5 Enhancing Disclosure of Sustainable Development Information

Article 28

The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which TWSE/TPEX listed companies shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for promoting the sustainable development initiatives established by the companies, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

Article 29

The company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 6 Supplementary Provisions**Article 30**

The company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

Dyaco International Inc.
Sustainable Development Policy and Implementation Plan

Policy	Management	Plan
Implementing Corporate Governance	Establishing a culture of sustainable development values and prioritizing ESG (Environmental, Social, and Governance) considerations.	<ul style="list-style-type: none"> ● Establishing a sustainable development team directly under the chairman's office. ● Planning to establish a dedicated execution department to meet business needs.
	Utilizing functional committees to assist the functions of the board of directors.	<ul style="list-style-type: none"> ● Planning various functional committees to regularly analyze and evaluate climate change and ESG risks and propose response plans to the board of directors. ● Reporting sustainable development strategies and implementation progress regularly to the board of directors. ● Properly utilizing experts' functions to participate in functional committees, commissioning experts to provide evaluation reports or opinions, and reporting to the board of directors when necessary.
	Demanding and assisting suppliers in implementing sustainable development projects.	<ul style="list-style-type: none"> ● Requesting suppliers to provide their carbon inventory data. ● Providing guidance and assistance to suppliers in implementing sustainable development projects in response to their needs.
Developing Sustainable Environment	Establishing self-discipline for carbon reduction with incentives and strengthening monitoring mechanisms.	<ul style="list-style-type: none"> ● Improving equipment to meet carbon reduction standards. ● Establishing a carbon fee calculation method within the company. ● Providing company green energy products as employee benefits.
	Developing the green energy industry and promoting compliance with environmental regulations among subsidiary companies of the group.	<ul style="list-style-type: none"> ● Planning green buildings for new factories. ● Developing green energy products.

	Strengthening the ability to respond to climate change risks.	<ul style="list-style-type: none"> ● Conducting regular carbon inventories to establish reliable baseline data. ● Implementing carbon reduction improvement plans based on the results of carbon inventories. ● Identifying climate change risk factors, establishing financial data correlation, and implementing hedging plans.
Maintaining Social Welfare Activities	Actively participating in social welfare activities.	● Planning regular feedback to the community program to encourage employee participation.
	Enhancing social value and impact.	● Introducing a Social Return on Investment (SROI) management system.
Enhancing Corporate Sustainable Development Information Disclosure	Enhancing sustainable development information disclosure, improving information disclosure channels, and external communication.	<ul style="list-style-type: none"> ● Annually update sustainability reports and publish improvement achievements. ● Enhance disclosure of sustainability information through the official website and public channels.
	Prioritizing the establishment of information security protection.	<ul style="list-style-type: none"> ● Establish a dedicated corporate communication network and information security protection system. ● Implementing employee information security protection education and training.

**Rules Governing Financial and Business Matters Between this Corporation and its
Affiliated Enterprises**

Article 1

To ensure sound financial and business interactions between this Corporation and its affiliated enterprises and to prevent non arm's-length transactions and improper channeling of interests with respect to the purchase and sale of goods, the acquisition and disposal of assets, the provision of endorsements and guarantees, and loans of funds between this Corporation and its affiliated enterprises, these Rules are adopted pursuant to Article 17 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by the articles of incorporation, financial and business matters between this Corporation and any of its affiliated enterprises shall be handled in accordance with the provisions of these Rules.

Article 3

The term "affiliated enterprise" as used herein means an enterprise that, in accordance with Article 369-1 of the Company Act, exists independently and has either of the following relationships with this Corporation:

1. A relationship of control or subordination.
2. A relationship of mutual investment. In determining whether a relationship of control or subordination under the preceding subparagraph exists, the substance of the relationship shall be considered in addition to the legal form.

Article 4

This Corporation shall establish an effective internal control system in regard to its own and its affiliated enterprises' overall operational activities, and shall continue to review the system in order to adapt to changes in the internal and external environment and ensure that the system's design and operation remain effective.

This Corporation shall ensure that any subsidiary develops an effective internal control system, taking into account the laws and regulations of the jurisdiction in which the subsidiary is located and the nature of its operations. For any affiliated enterprise that is not a public company, this Corporation shall still, in consideration of the degree of influence it has on this Corporation's business and finances, require that it develop effective systems for internal control and for managing financial, business, and accounting matters.

Article 5

In addition to implementing the adopted internal control system, this Corporation shall pay close attention to the following matters when exercising supervision over the operation and management of its affiliated enterprises:

1. This Corporation shall obtain an appropriate number of director and supervisor seats in the affiliated enterprise in accordance with the percentage of the shares it holds.
2. A director that this Corporation assigns to an affiliated enterprise shall regularly attend the affiliate's board meetings, and in order to monitor its operation, shall carefully review its corporate objectives and strategy, financial position, business performance, cash flows, and important contracts, as reported by the various members of the affiliate enterprise's management. The director assigned to the affiliated enterprise shall ascertain the cause of any irregularity found, compile a record, and report the matter to the chairperson or general manager of this Corporation.
3. A supervisor assigned to an affiliated enterprise by this Corporation shall supervise the affiliate's business operations, investigate its financial and business conditions, and review its books, records and audit reports, and may also request reports from the affiliate's board of directors or managerial officers. For any irregularity that may be found, the supervisor assigned to the affiliate shall ascertain the cause, compile a record, and report to the chairperson or general manager of this Corporation.
4. This Corporation shall assign competent personnel to assume important positions at its affiliated enterprise, such general manager, financial officer, or internal audit officer, in order to assume the duties and responsibilities of management, decision-making, and supervision and evaluation.
5. This Corporation, in consideration of the type of business, scale of operations, and number of personnel of a subsidiary, shall instruct the subsidiary in the procedures and methods for establishing an internal audit unit and adopting internal control system self-inspection operations.
6. In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the internal audit personnel of this Corporation must also carry out audits of the subsidiaries on a scheduled or unscheduled basis. After audit findings and recommendations have been presented, they shall instruct the audited subsidiaries to make any necessary corrections, and shall prepare follow-up reports on a regular basis to ensure that the subsidiaries have taken appropriate corrective measures in a timely manner.
7. Subsidiaries of this Corporation shall regularly (e.g., before the 15th day of each month) submit monthly financial statements for the preceding month, including balance sheets, income statements, statements of expenses, statements of cash flow and cash flow forecasts,

accounts receivable aging schedules and statements of delinquent accounts receivable, aging inventory analyses, and statements of loans to others and endorsements/guarantees. In the event of irregularities, analysis reports shall also be submitted to allow management and control by this Corporation. Other affiliated enterprises shall also regularly (e.g., before the 15th day of each quarter) submit financial statements for the preceding quarter, including balance sheets and income statements, for analysis and review by this Corporation.

Article 6

A managerial officer of this Corporation may not concurrently serve as a managerial officer of any affiliated enterprise of this Corporation, and shall not operate the same type of business as this Corporation, either on the officer's own behalf or with another party, unless otherwise approved by a resolution of the board of directors. The division of powers and responsibilities between this Corporation and its affiliated enterprises with respect to personnel management shall be clearly identified, and personnel transfers between the two shall be avoided. However, where personnel support or transfer is indeed necessary, the scope of work, division of powers and responsibilities, and allocation of costs shall be specified in advance.

Article 7

This Corporation shall establish an effective system of communication with each affiliated enterprise with respect to financial and business matters, and to mitigate credit risks, shall regularly conduct comprehensive risk assessments of their banks, principal clients, and suppliers. With respect to an affiliated enterprise with which it has financial and business interactions, this Corporation shall especially maintain close control over material financial and business items for the purpose of risk management.

Article 8

Any loans or endorsements/guarantees between this Corporation and an affiliated enterprise shall be carefully assessed and carried out in compliance with the provisions of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and with the procedures prescribed by this Corporation regarding loans to others and provision of endorsements/guarantees.

With respect to the provision of loans, endorsements, or guarantees between this Corporation and an affiliated enterprise, the matters set out below shall be closely reviewed, and results of the assessment submitted to the board of directors. Any loan of funds shall be made only by a resolution of the board of directors, and no other party may be authorized to decide on the matter. The board of directors, in accordance with the preceding paragraph, may authorize the

chairperson to provide an endorsement or guarantee within a specific limit, provided it is subsequently submitted to and ratified by the next board meeting:

1. The necessity and the reasonableness of the loan or the endorsement or guarantee. When funds are loaned or an endorsement or guarantee is made because of business dealings, an assessment shall be made of whether the amount of the loan or amount of the endorsement or guarantee is commensurate with the total amount of the business involved. When short-term financing is needed, the reasons for and the circumstances surrounding the loan shall be set out.
2. A credit check and a risk assessment of the counterparty requesting the loan or the endorsement or guarantee.
3. The effects on this Corporation's operational risk and financial position and the rights and interests of its shareholders.
4. Whether collateral must be obtained, and an appraisal of its value.

Any endorsement or guarantee provided pursuant to Article 5, paragraph 2 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies between any subsidiaries in which this Corporation directly or indirectly holds 90 percent or more of the voting shares shall first be submitted for a resolution by the board of directors of this Corporation, except when an endorsement or guarantee is provided between companies in which this Corporation directly or indirectly holds 100 percent of the voting shares.

Any proposed loan between this Corporation and its parent or a subsidiary, or between its subsidiaries, shall be submitted for a resolution by the board of directors. The chairperson may also be authorized, with respect to a specific borrowing counterparty, and within a limit resolved by the board of directors and a period not to exceed 1 year, to provide an accreting loan or to make available a revolving line of credit.

If this Corporation has established independent director positions, the board of directors shall give full consideration to each independent director's opinion with respect to loans, endorsements, or guarantees between this Corporation and any of its affiliated enterprises. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

When a loan of funds for short-term financing is necessary between any two foreign companies in which this Corporation directly or indirectly holds 100 percent of the voting shares, the loan amount is not subject to the restriction of 40 percent of the net worth of the company making the loan. The amount of an endorsement or guarantee between two companies in which this Corporation directly or indirectly holds 90 percent or more of the voting shares may not exceed 10 percent of this Corporation's net worth, except for endorsements or guarantees between two companies in which this Corporation directly or indirectly holds 100 percent of the voting shares.

This Corporation shall properly implement subsequent control measures with respect to loans or endorsements or guarantees. When there is a likelihood of overdue claims or the occurrence of loss, this Corporation shall adopt appropriate conservatory measures to safeguard its rights and interests.

Article 9

Price terms and payment methods shall be expressly stipulated for any business interaction between this Corporation and any affiliated enterprise. The purpose, pricing, and terms of a transaction, and its formal and substantive nature and the related handling procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable.

When business needs require the purchase of finished products, semi-finished products, or materials from an affiliated enterprise, purchasing personnel shall thoroughly evaluate the reasonableness of the price quoted by the affiliated enterprise based on market prices and other transaction terms and conditions. Except in special circumstances, or given advantageous conditions that differ from those of ordinary suppliers, under which the granting of preferential pricing or terms of payment can be reasonably stipulated, any other prices and payment terms shall be commensurate with those offered to ordinary suppliers.

Price quotes for the sale of any finished products, semi-finished products, or materials to an affiliated enterprise shall be made with reference to current market prices. Except in cases of long-term cooperation or other special factors that are different from ordinary clients, under which reasonable stipulations may be made to grant preferential pricing or terms of payment, any other prices and payment terms shall be commensurate with those offered to ordinary clients.

For professional or technical services provided between this Corporation and an affiliated enterprise, both parties shall enter into a contract stipulating the scope of the services, fees charged, time period, payment terms, and after-sales service. The contract shall be implemented after approval by the general manager or the chairperson of this Corporation, and all contract terms and conditions shall comply with normal business practice.

By the end of each month, the accounting personnel of both this Corporation and its affiliated enterprises shall perform cross checks of the purchases and sales of goods between them for the preceding month and the related balances of accounts payable and receivable. If any discrepancies are found, accounting personnel shall identify the cause and prepare a reconciliation statement.

Article 10

Any asset transaction, derivative trading, merger, demerger, acquisition, or share transfer between this Corporation and an affiliated enterprise shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the procedures for acquisition and disposal of assets prescribed by this Corporation.

When this Corporation makes an acquisition of securities from or a disposition of securities to an affiliated enterprise, or an acquisition from an unaffiliated enterprise of securities whose underlying is the stock of an affiliated enterprise, it shall, before the date of occurrence, obtain the financial statements of the issuing company for the most recent period, audited and attested or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price. If the amount of the transaction is 20 percent or more of this Corporation's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, it shall also, before the date of occurrence, request a CPA to provide an opinion on the reasonableness of the transaction price, except for securities quoted on an active market or as otherwise required by the Financial Supervisory Commission.

When this Corporation engages in the acquisition of intangible assets or its right-of-use assets or memberships from or their disposition to any of its affiliated enterprises, if the amount of the transaction is 20 percent or more of this Corporation's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, it shall, before the date of occurrence, request a CPA to provide an opinion on the reasonableness of the transaction price and the CPA needs to act.

Article 11

When this Corporation intends to conduct any acquisition or disposal of real property from or to any of its affiliated enterprises, or to conduct an acquisition or disposal of assets other than real property from or to any of its affiliated enterprises in which the transaction amount is furthermore 20 percent or more of this Corporation's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, with the exception of the purchase or sale of government bonds, repo or reverse repo bond transactions, or subscription to or redemption of domestic money market funds, it shall have the following matters approved by the board of directors and recognized by the supervisors before it may enter into a contract for the transaction and pay the required monies:

1. An appraisal issued by a professional appraiser as required by regulations, or a CPA opinion.
2. The purpose, necessity, and projected benefits of the acquisition or disposal of real property.
3. The reason for choosing the affiliated enterprise as a trading counterparty.
4. Information relating to appraisal of the reasonableness of the preliminary transaction terms when acquiring real property from an affiliated enterprise.

5. The date and price at which the real property was originally acquired by the affiliated enterprise, the trading counterparty, and the trading counterparty's relationship with this Corporation and its affiliated enterprises.
6. Monthly cash flow forecasts for a full year commencing from the scheduled month of contract signing, and an evaluation of the necessity of the transaction and the reasonableness of the utilization of funding.
7. Any restrictions on the transaction and other important stipulations.
8. An opinion issued by a CPA engaged to review whether the transaction with the affiliated enterprise conforms with ordinary commercial terms and whether it is not damaging to the interests of this Corporation and its minority shareholders.

When the amount of the transaction under the preceding paragraph is 20 percent or more of this Corporation's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, this Corporation shall obtain an appraisal report issued by a professional appraiser. If the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount, this Corporation shall additionally request a CPA to provide a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price, and it shall be approved by a majority of the directors in attendance at a board of directors meeting attended by two-thirds or more of the directors.

In an acquisition of real property from an affiliated enterprise, if the actual transaction price is higher than the appraised transaction cost, and no objective evidence can be presented and no concrete opinion that the transaction is reasonable can be obtained from a professional appraiser and a CPA, the board of directors shall thoroughly review the transaction and determine whether it may prejudice the rights and interests of this Corporation and its shareholders, and when necessary, shall refuse to enter into the transaction. The supervisors shall also exercise their supervisory powers in respect of such a transaction, and when necessary shall notify the board of directors to stop the transaction.

When a transaction as described under the preceding paragraph has been approved by the board of directors and recognized by the supervisors, this Corporation shall set aside a special reserve against the difference between the transaction price and the appraised cost, and may not distribute the difference or use it for capital increase or for issuance of bonus shares. In addition, this Corporation shall report the handling of the above transaction to the shareholders meeting and shall disclose the details of the transaction in the annual report and any prospectus.

When [any of] the following circumstances is present in a transaction with an affiliated enterprise, after passage by the board of directors, the matter shall also be submitted to the shareholders

meeting for passage of a resolution, and neither the affiliated enterprise nor any persons connected with the affiliated enterprise may participate in the voting:

1. If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total asset.
2. A change in the Company Act, Articles of Incorporation or internal process of the transaction amount and terms that materially affects shareholder equity or corporate operations.

The Company shall submit actual transaction situation in all the subparagraphs of paragraph 1 to the shareholders meeting for report at the end of the year.

If this Corporation has established an audit committee, matters to be recognized by the supervisors as required under this article shall be approved by the majority of all members of the audit committee and shall be resolved at the board of directors, and the provisions of Article 6, paragraphs 4 and 5 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies shall apply mutatis mutandis.

Article 12

With respect to any financial or business interaction between this Corporation and any affiliated enterprise that requires a resolution of the board of directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

When a director is an interested party with respect to a particular agenda item, that director shall enter into recusal and may neither vote on that item nor exercise voting rights as proxy for another director. Directors shall maintain self-discipline among themselves and may not enter into relationships of inappropriate mutual support with other directors.

Upon discovering that, in the course of their duties, the board of directors or a director has committed a violation of law or regulation, the articles of incorporation, or a shareholders meeting resolution, a supervisor shall immediately notify the board of directors or the individual director to cease the misconduct, and shall take appropriate measures to curb expansion of the misconduct. When necessary, a supervisor shall also file a report with the relevant regulatory authority or agency.

Article 13

This Corporation, in compliance with the requirements of laws and regulations regarding matters that must be publicly disclosed or filed and the deadlines for so doing, shall make timely arrangements for the provision by each subsidiary of required financial and business information,

or to retain CPAs to audit or review the financial reports of each subsidiary.

This Corporation shall publicly disclose the consolidated balance sheets, consolidated statements of comprehensive income, and CPA secondary review reports covering affiliated enterprises by the deadlines for the filing of the annual financial reports under applicable laws and regulations. Information on any increase, decrease, or other change in affiliated enterprises shall be filed with the TWSE or GTSM within 2 days of the change.

Information on any material transaction between this Corporation and an affiliated enterprise shall be fully disclosed in the annual report, financial statements, the three reporting forms for affiliated enterprises, and prospectuses.

If an affiliated enterprise experiences financial difficulties, this Corporation shall obtain its financial statements and related materials in order to assess the resulting effect on the finances, business, or operations of this Corporation, and when necessary, appropriate conservatory measures shall be adopted to safeguard this Corporation's rights as a creditor. Under the above circumstances, in addition to specifying the resulting effect on this Corporation's financial position in its annual report and prospectus, this Corporation shall also make a timely announcement of material information on the Market Observation Post System (MOPS).

Article 14

When any of the following circumstances applies to an affiliated enterprise, this Corporation shall make a public disclosure and regulatory filing on its behalf:

1. For a subsidiary whose shares have not been publicly issued domestically, the dollar amount of the subsidiary's acquisition or disposal of assets, endorsements or guarantees for others, and loans of funds to others meets the criteria for public disclosure and regulatory filing.
2. The parent or the subsidiary undergoes bankruptcy or reorganization proceedings pursuant to applicable laws and regulations.
3. A major policy is adopted by resolution of the affiliated enterprise's board of directors that has a material effect on the rights and interests of the shareholders or the securities prices of this Corporation.
4. Any matter regarding a subsidiary or the unlisted (neither TWSE nor GTSM listed) parent of this Corporation constitutes material information required to be announced under the provisions of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities and of the GreTai Securities Market Procedures for Verification and Disclosure of Material Information of Companies with GTSM Listed Securities.

If the parent of this Corporation is a foreign company, this Corporation shall make a filing of the following information on its behalf before the opening of trading hours on the first business day

following the day on which this Corporation becomes aware of the information or on which there is media reporting of the information:

1. A material change in shareholder equity.
2. A material change in business policy.
3. A material disaster resulting in serious reduction or complete cessation of production.
4. A material effect on the rights and interests of shareholders or the parent's operations resulting from a change in the laws, regulations, or rules of the parent's home country.
5. Mass media reporting about the parent sufficient to affect the securities prices of this Corporation.
6. The occurrence of any other material event that, pursuant to the laws or regulations of the foreign company's home country, must be filed immediately.

Article 15

Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises shall be implemented after the board of directors grants the approval, and reported at a shareholders' meeting.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Dyaco International Inc.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission 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 Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The descriptions for the key audit matters of the consolidated financial statements are as follows:

Impairment of Goodwill

According to IAS 36 “Impairment of Assets”, goodwill arising from the acquisition of a business is subject to an annual impairment test by comparing its carrying amount (including attributable goodwill) with its recoverable amount. As of December 31, 2022, the carrying amount of goodwill held by the Group was \$533,646 thousand, which represented 4.46% of the total assets in the consolidated balance sheets. The impairment test of goodwill involves significant accounting judgments and estimates made by management, especially when estimating the future cash flows and discount rates used to calculate the present value of a cash-generating unit. Thus, the impairment test of goodwill was considered to be a key audit matter. For the accounting policies on impairment of goodwill and the related significant accounting judgments and estimates, refer to Notes 4-11 and 5-2. The cash-generating unit of goodwill from business combination and basic assumptions of estimated recoverable amount have been disclosed in Note 18, including the projected future cash flows and discount rates (weighted average cost of capital).

We assessed the professional skills, competencies, and objectivity of independent appraisers hired by management, and also verified the qualifications of appointed appraisers. In addition, we confirmed that nothing would affect the objectivity or restriction of job duties by discussing the job scope and reviewing conditions of appointment with management. We checked whether the method used by independent appraisers was in accordance with the International Accounting Standards (IAS).

We assessed management’s judgments based on the opinion of our financial advisor, especially with regard to material assumptions (including the prediction of future cash flows and discount rates) used by management to confirm the appropriateness of management’s judgments. Our primary audit procedures performed included the following:

1. We tested the data used to estimate recoverable amount of goodwill, such as historical operating revenue, revenue growth rate and gross margin for assessing the reasonableness of assumptions.
2. We compared the budgeted amounts with actual operating results of the Group in 2021 when considering the assessment of reliability prediction for 2022 and future years in order to assess the accuracy of management’s historical predictions.
3. We checked if there were significant differences between the weighted average cost of capital calculated by using the same valuation method and the weighted average cost of capital adopted by the Group to confirm that management applied the appropriate discount rates for assessing goodwill impairment.

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chien-Hsin Hsieh and Wan-I Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2023

Notice to Readers

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

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Dyaco International Inc.

Opinion

We have audited the accompanying financial statements of Dyaco International Inc. (the "Corporation"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

The descriptions for the key audit matters of the financial statements are as follows:

Evaluation of Impairment Loss on Goodwill from the Subsidiaries which are
Accounted for by Using the Equity Method

The book value of the subsidiaries which are accounted for using the equity method included the goodwill on acquisition of Dongguan Dayu Sports Equipment Co., Ltd., Shelton Corporation (Jiaxing), Ltd., CARDIO fitness GmbH & Co. KG, Dyaco Canada Inc., Fitness Equipment Services, LLC., CITY SPORTS (THAILAND) CO., LTD. and Neutron Ventures Ltd. As of December 31, 2022, the carrying amount of goodwill was \$533,646 thousand. According to IAS 36 "Impairment of Assets", goodwill arising from the acquisition of a business is subject to an annual impairment test by comparing its carrying amount (including attributable goodwill) with its recoverable amount. The impairment test of goodwill impairment involves significant accounting judgments and estimates made by management, especially when estimating the future cash flows

and discount rates used to calculate the present value of a cash-generating unit. Thus, the impairment test of goodwill was considered to be a key audit matter. For the accounting policies, significant accounting judgments and estimates related to goodwill, refer to Notes 4-f and 5-b. The cash-generating unit of goodwill arising from business combination and basic assumptions of estimated recoverable amount have been disclosed in Note 13-2, including the projected future cash flows and discount rates (weighted average cost of capital).

We assessed the professional skills, competencies, and objectivity of independent appraisers hired by management, and also verified the qualifications of appointed appraisers. In addition, we confirmed that nothing would affect the objectivity or restriction of job duties by discussing the job scope and reviewing conditions of appointment with management. We checked whether the method used by the independent appraisers was in accordance with the International Accounting Standards (IAS).

We assessed management's judgments based on the opinion of our financial advisor, especially with regard to material assumptions, (including the prediction of future cash flows and discount rates) used by management to confirm the appropriateness of management's judgments. Our primary audit procedures performed included the following:

1. We tested the data used to estimate recoverable amount of goodwill, such as historical operating revenue, revenue growth rate and gross margin for assessing the reasonableness of assumptions.
2. We compared the budgeted amounts with actual operating results of the Corporation in 2021 when considering the assessment of reliability prediction for 2022 and future years in order to assess the accuracy of management's historical predictions.
3. We checked if there were significant differences between the weighted average cost of capital calculated by using the same valuation method and the weighted average cost of capital adopted by the Corporation to confirm that management applied the appropriate discount rates for assessing goodwill impairment.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the 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 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 Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chien-Hsin Hsieh and Wan-I Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2023

Notice to Readers

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

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

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

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

	2022		2021 (Retrospectively Adjusted) (Note 32)	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Note 6)	\$ 1,120,781	9	\$ 1,212,636	10
Financial assets at fair value through profit or loss (Notes 4 and 7)	3,739	-	-	-
Financial assets at amortized cost (Notes 4, 9 and 37)	240,578	2	292,394	2
Notes receivable (Notes 4, 10 and 27)	940	-	1,490	-
Accounts receivable (Notes 4, 10 and 27)	1,095,392	9	1,647,028	14
Other receivables (Notes 4 and 10)	65,176	1	68,090	1
Other receivables from related parties (Note 36)	24,909	-	-	-
Current tax assets (Note 29)	51,611	1	35,596	-
Inventories (Notes 4, 5, 11 and 37)	2,989,456	25	3,531,206	29
Prepayments (Note 12)	214,900	2	155,988	1
Other current assets	10,618	-	22,631	-
Total current assets	5,818,100	49	6,967,059	57
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4 and 7)	147,071	1	139,035	1
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	65,697	-	58,785	1
Financial assets at amortized cost- non-current (Note 9)	30,710	-	-	-
Investments accounted for using the equity method (Notes 4 and 14)	6,823	-	29,527	-
Property, plant and equipment (Notes 4, 15 and 37)	3,691,829	31	2,923,838	24
Right-of-use assets (Notes 4, 16 and 37)	311,457	3	328,889	3
Investment properties (Notes 4, 17 and 37)	28,547	-	53,481	-
Goodwill (Notes 4, 5, 18 and 32)	558,377	5	493,455	4
Other intangible assets (Notes 4 and 19)	796,867	7	791,645	7
Deferred income tax assets (Notes 4 and 29)	453,080	4	383,136	3
Prepayments for equipment	9,487	-	9,533	-
Refundable deposits	36,312	-	19,553	-
Other non-current assets	10,242	-	2,855	-
Total non-current assets	6,146,499	51	5,233,732	43
TOTAL	\$ 11,964,599	100	\$ 12,200,791	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 37)	\$ 2,390,915	20	\$ 2,866,075	24
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	25,305	-	14,135	-
Contract liabilities (Note 27)	177,567	2	21,470	-
Notes payable (Note 22)	46,117	-	33,271	-
Accounts payable (Note 22)	1,015,770	9	1,338,034	11
Other payables (Note 23)	497,800	4	649,170	5
Current income tax liabilities (Note 29)	10,696	-	29,628	-
Provisions (Notes 4 and 24)	13,927	-	19,343	-
Lease liabilities (Notes 4 and 16)	16,522	-	17,859	-
Current portion of bonds payable (Notes 4 and 21)	1,398,537	12	-	-
Current portion of long-term borrowings (Notes 20 and 37)	218,987	2	232,812	2
Other current liabilities	40,989	-	76,561	1
Total current liabilities	5,853,132	49	5,298,358	43
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 21)	-	-	1,379,436	11
Long-term borrowings (Notes 20 and 37)	1,483,762	12	557,615	5
Deferred tax liabilities (Notes 4 and 29)	437,337	4	420,369	4
Lease liabilities (Notes 4 and 16)	23,708	-	34,620	-
Long-term payable (Note 23)	83,093	1	107,094	1
Net defined benefit liabilities (Note 25)	16,467	-	19,284	-
Guarantee deposits received	3,140	-	2,732	-
Total non-current liabilities	2,047,507	17	2,521,150	21
Total liabilities	7,900,639	66	7,819,508	64
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 26)				
Share capital				
Ordinary shares	1,341,147	11	1,339,822	11
Advance share capital	-	-	400	-
Total share capital	1,341,147	11	1,340,222	11
Capital surplus	2,142,919	18	2,115,925	18
Retained earnings				
Legal reserve	329,002	3	284,853	2
Special reserve	238,087	2	175,628	1
Unappropriated earnings	170,420	1	676,407	6
Total retained earnings	737,509	6	1,136,888	9
Other equity	(126,177)	(1)	(238,081)	(2)
Treasury shares	(426,290)	(3)	(368,604)	(3)
Total equity attributable to owners of the Corporation	3,669,108	31	3,986,350	33
NON-CONTROLLING INTERESTS (Notes 13 and 26)	394,852	3	394,933	3
Total equity	4,063,960	34	4,381,283	36
TOTAL	\$ 11,964,599	100	\$ 12,200,791	100

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

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Retrospectively Adjusted) (Note 32)	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4 and 27)	\$ 7,298,112	102	\$ 11,898,232	101
LESS: SALES RETURNS	30,878	-	47,460	-
SALES DISCOUNTS AND ALLOWANCES	<u>144,823</u>	<u>2</u>	<u>108,691</u>	<u>1</u>
NET OPERATING REVENUE	7,122,411	100	11,742,081	100
OPERATING COSTS (Notes 11 and 28)				
Cost of sales	5,037,256	71	7,684,679	65
GROSS PROFIT	<u>2,085,155</u>	<u>29</u>	<u>4,057,402</u>	<u>35</u>
OPERATING EXPENSES (Notes 28 and 35)				
Selling and marketing	1,492,314	21	2,421,568	21
General and administrative	768,083	11	717,603	6
Research and development (Note 10)	108,315	1	110,751	1
Expected credit loss	<u>73,026</u>	<u>1</u>	<u>19,267</u>	<u>-</u>
Total operating expenses	<u>2,441,738</u>	<u>34</u>	<u>3,269,189</u>	<u>28</u>
OTHER OPERATING INCOME AND EXPENSES (Note 28)	<u>(27,647)</u>	<u>-</u>	<u>(2,840)</u>	<u>-</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(384,230)</u>	<u>(5)</u>	<u>785,373</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	2,275	-	1,444	-
Rental income	14,480	-	15,678	-
Other income	36,912	1	21,434	-
Foreign exchange gain or loss, net (Note 28)	441,757	6	(185,471)	(1)
Impairment loss (Note 28)	(24,882)	-	-	-
Expected credit loss (Note 10)	(39,500)	(1)	-	-
Loss on valuation of financial instruments	(768)	-	(14,951)	-
Other expenses (Notes 10 and 28)	(40,609)	(1)	(2,988)	-
Interest expense (Note 28)	(84,529)	(1)	(68,509)	(1)
Share of loss of associates (Note 14)	<u>(1,967)</u>	<u>-</u>	<u>(3,547)</u>	<u>-</u>
Total non-operating income and expenses	<u>303,169</u>	<u>4</u>	<u>(236,910)</u>	<u>(2)</u>
(LOSS) PROFIT BEFORE INCOME TAX	(81,061)	(1)	548,463	5

(Continued)

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Retrospectively Adjusted) (Note 32)	
	Amount	%	Amount	%
INCOME TAX EXPENSE (Notes 4 and 29)	<u>13,622</u>	<u>-</u>	<u>104,865</u>	<u>1</u>
NET (LOSS) PROFIT	<u>(94,683)</u>	<u>(1)</u>	<u>443,598</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan	2,584	-	808	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(4,907)	-	(5,200)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 29)	<u>(517)</u>	<u>-</u>	<u>(162)</u>	<u>-</u>
	<u>(2,840)</u>	<u>-</u>	<u>(4,554)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>116,925</u>	<u>1</u>	<u>(58,647)</u>	<u>(1)</u>
Total other comprehensive gain (loss)	<u>114,085</u>	<u>1</u>	<u>(63,201)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 19,402</u>	<u>-</u>	<u>\$ 380,397</u>	<u>3</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (76,129)	(1)	\$ 440,342	4
Non-controlling interests	<u>(18,554)</u>	<u>-</u>	<u>3,256</u>	<u>-</u>
	<u>\$ (94,683)</u>	<u>(1)</u>	<u>\$ 443,598</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 37,842	-	\$ 378,535	3
Non-controlling interests	<u>(18,440)</u>	<u>-</u>	<u>1,862</u>	<u>-</u>
	<u>\$ 19,402</u>	<u>-</u>	<u>\$ 380,397</u>	<u>3</u>
(LOSS) EARNINGS PER SHARE (Note 30)				
Basic	<u>\$ (0.61)</u>		<u>\$ 3.47</u>	
Diluted			<u>\$ 3.30</u>	

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

(Concluded)

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation (Note 26)											
							Other Equity		Treasury Shares	Total	Non-controlling Interests (Notes 13 and 26)	Total Equity
							Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Share Capital			Retained Earnings			Unappropriated Earnings (Retrospectively Adjusted) (Note 32)					
Ordinary Shares	Advance Share Capital	Capital Surplus	Legal Reserve	Special Reserve								
BALANCE AT JANUARY 1, 2021	\$ 1,311,496	\$ 15,027	\$ 1,986,005	\$ 152,827	\$ 105,812	\$ 1,390,288	\$ (178,468)	\$ 2,840	\$ (272,651)	\$ 4,513,176	\$ 356,686	\$ 4,869,862
Issuance of ordinary shares under employee share options (Note 31)	8,760	(600)	58,812	-	-	-	-	-	-	66,972	-	66,972
Equity component of convertible bonds issued by the Corporation (Notes 21 and 26)	-	-	38,988	-	-	-	-	-	-	38,988	-	38,988
Changes in capital surplus from investments using the equity method (Note 31)	-	-	1,876	-	-	-	-	-	-	1,876	-	1,876
Gain on disgorgement	-	-	140	-	-	-	-	-	-	140	-	140
Appropriation of prior year's earnings												
Legal reserve	-	-	-	132,026	-	(132,026)	-	-	-	-	-	-
Special reserve	-	-	-	-	69,816	(69,816)	-	-	-	-	-	-
Cash dividends to shareholder - NT\$7.50 per share	-	-	-	-	-	(953,027)	-	-	-	(953,027)	-	(953,027)
	-	-	-	132,026	69,816	(1,154,869)	-	-	-	(953,027)	-	(953,027)
Convertible bonds converted to ordinary shares (Note 21)	19,566	(14,027)	43,162	-	-	-	-	-	-	48,701	-	48,701
Net profit for the year ended December 31, 2021	-	-	-	-	-	440,342	-	-	-	440,342	3,256	443,598
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	646	(57,253)	(5,200)	-	(61,807)	(1,394)	(63,201)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	440,988	(57,253)	(5,200)	-	378,535	1,862	380,397
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	36,000	36,000
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	-	(157,086)	(157,086)	-	(157,086)
Treasury shares transferred to employees (Note 26)	-	-	(13,058)	-	-	-	-	-	61,133	48,075	385	48,460
BALANCE AT DECEMBER 31, 2021	1,339,822	400	2,115,925	284,853	175,628	676,407	(235,721)	(2,360)	(368,604)	3,986,350	394,933	4,381,283
Issuance of ordinary shares under employee share options (Note 31)	1,325	(400)	38,932	-	-	-	-	-	-	39,857	-	39,857
Changes in capital surplus from investments using the equity method (Note 13)	-	-	-	-	-	(7,815)	-	-	-	(7,815)	7,815	-
Appropriation of prior year's earnings												
Legal reserve	-	-	-	44,149	-	(44,149)	-	-	-	-	-	-
Special reserve	-	-	-	-	62,459	(62,459)	-	-	-	-	-	-
Cash dividends to shareholder - NT\$2.50 per share	-	-	-	-	-	(317,502)	-	-	-	(317,502)	-	(317,502)
	-	-	-	44,149	62,459	(424,110)	-	-	-	(317,502)	-	(317,502)
Net loss for the year ended December 31, 2022	-	-	-	-	-	(76,129)	-	-	-	(76,129)	(18,554)	(94,683)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	2,067	116,811	(4,907)	-	113,971	114	114,085
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	(74,062)	116,811	(4,907)	-	37,842	(18,440)	19,402
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	6,200	6,200
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	-	(96,415)	(96,415)	-	(96,415)
Treasury shares transferred to employees (Note 26)	-	-	(11,938)	-	-	-	-	-	38,729	26,791	4,344	31,135
BALANCE AT DECEMBER 31, 2022	\$ 1,341,147	\$ -	\$ 2,142,919	\$ 329,002	\$ 238,087	\$ 170,420	\$ (118,910)	\$ (7,267)	\$ (426,290)	\$ 3,669,108	\$ 394,852	\$ 4,063,960

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

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

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

	2022	2021 (Retrospectively Adjusted) (Note 32)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (81,061)	\$ 548,463
Adjustments for:		
Depreciation expense	173,448	202,595
Amortization expense	80,321	81,736
Expected credit loss recognized	112,526	19,267
Net loss on fair value changes of financial instrument at fair value through profit or loss	768	14,951
Interest expense	84,529	68,509
Interest income	(2,275)	(1,444)
Compensation costs of employee share options	40,788	36,640
Share of loss of associates	1,967	3,547
(Gain) loss on disposal of property, plant and equipment	(433)	2,723
Loss on disposal of intangible assets	-	117
Loss on inventories valuation and obsolescence	73,502	3,577
Impairment losses	24,882	-
Impairments loss on prepayment for goods	28,080	-
Unrealized (gain) loss on foreign currency exchange	(409,046)	168,266
Changes in operating assets and liabilities		
Notes receivable	550	530
Accounts receivable	601,778	1,313,017
Increase in trade receivables - related parties	(24,909)	-
Other receivables	(36,586)	62,910
Inventories	768,900	(371,807)
Prepayments	(86,992)	35,450
Other current assets	8,126	(3,008)
Contract liabilities	156,097	(53,061)
Notes payable	12,846	(748,082)
Accounts payable	(476,108)	(1,113,088)
Other payables	(200,542)	(431,906)
Provisions	(5,012)	(5,841)
Other current liabilities	(35,572)	12,660
Net defined benefit liabilities	(233)	(307)
Cash generated from (used in) operations	810,339	(153,586)
Interest received	2,275	1,444
Interest paid	(65,346)	(57,775)
Income tax paid	(120,502)	(571,547)
Net cash generated from (used in) operating activities	626,766	(781,464)

CASH FLOWS FROM INVESTING ACTIVITIES

(Continued)

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

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

	2022	2021 (Retrospectively Adjusted) (Note 32)
Purchase of financial assets at fair value through other comprehensive income	(11,761)	(12,900)
Decrease (increase) in financial assets at amortized cost	21,106	(83,463)
Purchase of financial assets at fair value through profit or loss	(600)	(138,750)
Purchase of investments accounted for using the equity method	(4,000)	(27,750)
Net cash outflow on acquisition of subsidiaries (Note 32)	(49,951)	(75,325)
Payments for property, plant and equipment (Note 33)	(355,560)	(225,170)
Proceeds from disposal of property, plant and equipment	17,216	10,808
Increase in refundable deposits	(12,872)	(1,179)
Payments for intangible assets (Note 33)	(32,811)	(58,823)
(Increase) decrease in other non-current assets	<u>(7,387)</u>	<u>9,063</u>
Net cash used in investing activities	<u>(436,620)</u>	<u>(603,489)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(502,054)	1,289,927
Proceeds from issuance of convertible bonds	-	994,594
Proceeds from long-term borrowings	723,145	-
Repayments of long-term borrowings	(166,873)	(158,886)
Proceeds from guarantee deposits received	176	62
Repayment of the principal portion of lease liabilities	(25,962)	(20,503)
Cash dividends	(317,502)	(953,027)
Exercise of employee share options	3,413	32,593
Payments for buy-back of ordinary shares	(96,415)	(157,086)
Proceeds from treasury shares transferred to employees	26,791	48,075
Imposition of disgorgement	<u>-</u>	<u>140</u>
Net cash (used in) generated from financing activities	<u>(355,281)</u>	<u>1,075,889</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>73,280</u>	<u>(20,624)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(91,855)	(329,688)
CASH, BEGINNING OF THE YEAR	<u>1,212,636</u>	<u>1,542,324</u>
CASH, END OF THE YEAR	<u>\$ 1,120,781</u>	<u>\$ 1,212,636</u>

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

(Concluded)

DYACO INTERNATIONAL INC.

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

ASSETS	2022		2021 (Retrospectively Adjusted) (Note 13)	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Note 6)	\$ 465,110	5	\$ 611,607	6
Financial assets at fair value through profit or loss (Notes 4, 7 and 32)	3,739	-	-	-
Financial assets at amortized cost (Notes 4, 9 and 34)	233,678	2	292,394	3
Notes receivable (Notes 4, 10 and 24)	691	-	1,490	-
Accounts receivable (Notes 4, 10 and 24)	74,405	1	105,935	1
Accounts receivable from related parties (Notes 4, 24 and 33)	1,975,808	21	2,542,832	25
Other receivables (Notes 4 and 10)	9,856	-	52,110	1
Other receivables from related parties (Notes 4 and 33)	748,871	8	1,452,687	14
Current tax assets (Note 26)	48,443	1	31,010	-
Inventories (Notes 4, 5 and 11)	323,380	3	478,619	5
Prepayments (Note 12)	81,688	1	39,945	-
Other current assets	6,515	-	18,923	-
Total current assets	3,972,184	42	5,627,552	55
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4, 7 and 32)	147,071	2	139,035	1
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 32)	61,824	1	54,745	1
Financial assets at amortized cost - non-current (Note 9)	30,710	-	-	-
Investments accounted for using the equity method (Notes 4, 5 and 13)	3,005,652	31	2,171,408	22
Property, plant and equipment (Notes 4, 14 and 34)	1,801,014	19	1,620,884	16
Right-of-use assets (Notes 4, 15 and 33)	12,821	-	38,915	1
Investment properties (Notes 4, 16 and 34)	19,569	-	20,448	-
Intangible assets (Notes 4 and 17)	104,955	1	128,350	1
Deferred income tax assets (Notes 4 and 26)	387,112	4	333,364	3
Prepayments for equipment	1,644	-	8,196	-
Refundable deposits (Notes 32 and 33)	5,168	-	8,737	-
Other non-current assets	5,683	-	5,683	-
Total non-current assets	5,583,223	58	4,529,765	45
TOTAL	\$ 9,555,407	100	\$ 10,157,317	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 34)	\$ 2,175,500	23	\$ 2,343,950	23
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 32)	25,305	-	14,135	-
Contract liabilities (Note 24)	37,470	-	8,611	-
Notes payable (Note 20)	18,059	-	33,191	-
Accounts payable (Note 20)	275,828	3	346,217	4
Accounts payable to related parties (Note 33)	402,944	4	634,246	6
Other payables (Note 21)	124,387	1	178,121	2
Other payables to related parties (Note 33)	41,880	1	333	-
Current income tax liabilities (Note 26)	2,544	-	-	-
Lease liabilities (Notes 4, 15 and 33)	3,766	-	7,651	-
Current portion of bonds payable (Notes 4 and 19)	1,398,537	15	-	-
Current portion of long-term borrowings (Notes 18 and 34)	150,600	2	230,890	2
Other current liabilities	28,330	-	59,239	1
Total current liabilities	4,685,150	49	3,856,584	38
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 19)	-	-	1,379,436	14
Long-term borrowings (Notes 18 and 34)	965,613	10	522,910	5
Deferred tax liabilities (Notes 4 and 26)	126,030	2	113,258	1
Lease liabilities (Notes 4, 15 and 33)	9,308	-	31,429	-
Long-term payables (Note 21)	83,093	1	104,342	1
Credit balance of investments accounted for using the equity method (Notes 4 and 13)	-	-	143,086	2
Net defined benefit liabilities (Notes 4 and 22)	16,467	-	19,284	-
Guarantee deposits received	638	-	638	-
Total non-current liabilities	1,201,149	13	2,314,383	23
Total liabilities	5,886,299	62	6,170,967	61
EQUITY (Note 23)				
Share capital				
Ordinary shares	1,341,147	14	1,339,822	13
Advance share capital	-	-	400	-
Total share capital	1,341,147	14	1,340,222	13
Capital surplus	2,142,919	22	2,115,925	21
Retained earnings				
Legal reserve	329,002	3	284,853	3
Special reserve	238,087	3	175,628	2
Unappropriated earnings	170,420	2	676,407	6
Total retained earnings	737,509	8	1,136,888	11
Other equity	(126,177)	(1)	(238,081)	(2)
Treasury shares	(426,290)	(5)	(368,604)	(4)
Total equity	3,669,108	38	3,986,350	39
TOTAL	\$ 9,555,407	100	\$ 10,157,317	100

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

DYACO INTERNATIONAL INC.

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

	2022		2021 (Retrospectively Adjusted) (Note 13)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 33)	\$ 2,732,707	100	\$ 6,880,450	100
LESS: SALES RETURNS	1,498	-	4,921	-
SALES DISCOUNTS AND ALLOWANCES	<u>2,307</u>	<u>-</u>	<u>2,696</u>	<u>-</u>
NET OPERATING REVENUE	2,728,902	100	6,872,833	100
OPERATING COSTS (Notes 11, 25 and 33)				
Cost of sales	<u>2,220,359</u>	<u>81</u>	<u>5,204,517</u>	<u>76</u>
GROSS PROFIT	508,543	19	1,668,316	24
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>207,264</u>	<u>7</u>	<u>(33,817)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>715,807</u>	<u>26</u>	<u>1,634,499</u>	<u>24</u>
OPERATING EXPENSES (Notes 10, 25 and 33)				
Selling and marketing	249,060	9	355,231	5
General and administrative	162,213	6	164,145	2
Research and development	96,467	4	104,517	2
Expected credit loss (gain)	<u>12,474</u>	<u>-</u>	<u>2,735</u>	<u>-</u>
Total operating expenses	<u>520,214</u>	<u>19</u>	<u>626,628</u>	<u>9</u>
OTHER OPERATING INCOME (Notes 25 and 33)	<u>50</u>	<u>-</u>	<u>63,675</u>	<u>1</u>
PROFIT FROM OPERATIONS	<u>195,643</u>	<u>7</u>	<u>1,071,546</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit or loss of subsidiaries and associates	(536,210)	(20)	(319,470)	(5)
Interest income (Note 33)	1,520	-	842	-
Rental income (Note 33)	4,431	-	4,415	-
Other income	24,463	1	10,442	-
Foreign exchange gain (loss), net (Note 25)	400,357	15	(165,119)	(2)
Gain or loss on valuation of financial instruments	(768)	-	(14,951)	-
Impairment loss (Note 13)	(24,882)	(1)	-	-
Other expenses	(3,075)	-	(111)	-
Expected credit loss (Note 10)	(39,500)	(1)	-	-
Interest expense (Notes 25 and 33)	<u>(57,150)</u>	<u>(2)</u>	<u>(43,781)</u>	<u>(1)</u>

(Continued)

DYACO INTERNATIONAL INC.

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

	2022		2021 (Retrospectively Adjusted) (Note 13)	
	Amount	%	Amount	%
Total non-operating income and expenses	<u>(230,814)</u>	<u>(8)</u>	<u>(527,733)</u>	<u>(8)</u>
PROFIT (LOSS) BEFORE INCOME TAX	(35,171)	(1)	543,813	8
INCOME TAX EXPENSE (Notes 4 and 26)	<u>40,958</u>	<u>2</u>	<u>103,471</u>	<u>1</u>
NET PROFIT (LOSS)	<u>(76,129)</u>	<u>(3)</u>	<u>440,342</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan	2,584	-	808	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(4,680)	-	704	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(227)	-	(5,904)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>(517)</u>	<u>-</u>	<u>(162)</u>	<u>-</u>
	<u>(2,840)</u>	<u>-</u>	<u>(4,554)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>116,811</u>	<u>4</u>	<u>(57,253)</u>	<u>(1)</u>
Other comprehensive loss for the period, net of income tax	<u>113,971</u>	<u>4</u>	<u>(61,807)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 37,842</u>	<u>1</u>	<u>\$ 378,535</u>	<u>6</u>
EARNINGS (LOSS) PER SHARE (Note 27)				
Basic	<u>\$ (0.61)</u>		<u>\$ 3.47</u>	
Diluted			<u>\$ 3.30</u>	

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

(Concluded)

DYACO INTERNATIONAL INC.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Cash Dividends Per Share)

	Other Equity									
	Share Capital			Retained Earnings			Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
	Ordinary Shares	Advance Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Retrospectively Adjusted) (Note 32)				
BALANCE AT JANUARY 1, 2021	\$ 1,311,496	\$ 15,027	\$ 1,986,005	\$ 152,827	\$ 105,812	\$ 1,390,288	\$ (178,468)	\$ 2,840	\$ (272,651)	\$ 4,513,176
Issuance of ordinary shares under employee share options (Note 28)	8,760	(600)	58,812	-	-	-	-	-	-	66,972
Equity component of convertible bonds issued by the Corporation (Notes 19 and 23)	-	-	38,988	-	-	-	-	-	-	38,988
Changes in capital surplus from investments using the equity method	-	-	1,876	-	-	-	-	-	-	1,876
Gain on disgorgement	-	-	140	-	-	-	-	-	-	140
Appropriation of prior year's earnings										
Legal reserve	-	-	-	132,026	-	(132,026)	-	-	-	-
Special reserve	-	-	-	-	69,816	(69,816)	-	-	-	-
Share dividends to shareholder - NT\$7.50 per share	-	-	-	-	-	(953,027)	-	-	-	(953,027)
	-	-	-	132,026	69,816	(1,154,869)	-	-	-	(953,027)
Convertible bonds converted to ordinary shares (Note 19)	19,566	(14,027)	43,162	-	-	-	-	-	-	48,701
Net profit for the year ended December 31, 2021	-	-	-	-	-	440,342	-	-	-	440,342
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	646	(57,253)	(5,200)	-	(61,807)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	440,988	(57,253)	(5,200)	-	378,535
Buy-back of ordinary shares (Note 23)	-	-	-	-	-	-	-	-	(157,086)	(157,086)
Treasury shares transferred to employees (Note 23)	-	-	(13,058)	-	-	-	-	-	61,133	48,075
BALANCE AT DECEMBER 31, 2021	1,339,822	400	2,115,925	284,853	175,628	676,407	(235,721)	(2,360)	(368,604)	3,986,350
Issuance of ordinary shares under employee share options (Note 28)	1,325	(400)	38,932	-	-	-	-	-	-	39,857
Changes in capital surplus from investments using the equity method	-	-	-	-	-	(7,815)	-	-	-	(7,815)
Appropriation of prior year's earnings										
Legal reserve	-	-	-	44,149	-	(44,149)	-	-	-	-
Special reserve	-	-	-	-	62,459	(62,459)	-	-	-	-
Cash dividends to shareholder - NT\$2.50 per share	-	-	-	-	-	(317,502)	-	-	-	(317,502)
	-	-	-	44,149	62,459	(424,110)	-	-	-	(317,502)
Net loss for the year ended December 31, 2022	-	-	-	-	-	(76,129)	-	-	-	(76,129)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	2,067	116,811	(4,907)	-	113,971
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	(74,062)	116,811	(4,907)	-	37,842
Buy-back of ordinary shares (Note 23)	-	-	-	-	-	-	-	-	(96,415)	(96,415)
Treasury shares transferred to employees (Note 23)	-	-	(11,938)	-	-	-	-	-	38,729	26,791
BALANCE AT DECEMBER 31, 2022	\$ 1,341,147	\$ -	\$ 2,142,919	\$ 329,002	\$ 238,087	\$ 170,420	\$ (118,910)	\$ (7,267)	\$ (426,290)	\$ 3,669,108

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

DYACO INTERNATIONAL INC.

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

	2022	2021 (Retrospectively Adjusted) (Note 13)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ (35,171)	\$ 543,813
Adjustments for:		
Depreciation expense	68,043	74,401
Amortization expense	31,207	37,144
Expected credit loss recognized	51,974	2,735
Net loss on fair value changes of financial instrument at fair value through profit or loss	768	14,951
Interest expense	57,150	43,781
Interest income	(1,520)	(842)
Impairment loss	24,882	-
Compensation costs of employee share options	19,068	34,379
Share of loss (profit) of subsidiaries and associates accounted for using the equity method	536,210	319,470
Gain on disposal of property, plant and equipment	(50)	(357)
Loss on inventories valuation and obsolescence	39,056	-
Realized (unrealized) gain (loss) on the transactions with subsidiaries	(207,264)	33,817
Unrealized loss (gain) on foreign currency exchange	(36,951)	71,972
Changes in operating assets and liabilities		
Notes receivable	799	339
Accounts receivable	19,209	25,309
Accounts receivable from related parties	(485,232)	1,591,887
Other receivables	2,754	42,237
Other receivables from related parties	748,584	(1,015,642)
Inventories	116,183	231,784
Prepayments	(41,675)	2,359
Other current assets	12,408	511
Contract liabilities	28,753	(20,873)
Notes payable	(15,132)	(747,632)
Accounts payable	(70,188)	(472,433)
Accounts payable to related parties	(223,177)	(619,034)
Other payables	(55,559)	(115,358)
Other payables to related parties	41,547	(85,747)
Other current liabilities	(30,909)	9,818
Net defined benefit liabilities	(233)	(307)
Cash generated from operations	595,534	2,482
Interest received	1,520	3,459
Interest paid	(38,049)	(33,047)
Income tax paid	(97,340)	(540,887)
Net cash generated from (used in) operating activities	461,665	(567,993)

(Continued)

DYACO INTERNATIONAL INC.

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

	2022	2021 (Retrospectively Adjusted) (Note 13)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(11,760)	(12,900)
Decrease (increase) in other financial assets	28,006	(83,463)
Purchase of financial assets at fair value through profit or loss	(600)	(138,750)
Purchase of investments accounted for using the equity method	(4,000)	(27,750)
Increase in investments in subsidiaries (Note 13)	(70,000)	(25,000)
Net cash outflow on acquisition of subsidiaries (Note 13)	(55,000)	(93,654)
Payments for property, plant and equipment (Note 30)	(250,430)	(20,449)
Proceeds from disposal of property, plant and equipment	13,148	620
Decrease (increase) in refundable deposits	3,569	(4,912)
Increase in other receivables from related parties	(42,682)	(45,546)
Payments for intangible assets (Note 30)	<u>(24,095)</u>	<u>(52,844)</u>
Net cash used in investing activities	<u>(413,844)</u>	<u>(504,648)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	(168,450)	1,198,950
Proceeds from issuance of convertible bonds	-	994,594
Proceeds from long-term borrowings	521,320	-
Repayments of long-term borrowings	(158,907)	(156,978)
Refund of guarantee deposits received	-	(163)
Repayment of the principal portion of lease liabilities	(6,467)	(5,117)
Cash dividends	(317,502)	(953,027)
Exercise of employee share options	3,413	32,593
Payments for buy-back of ordinary shares	(96,415)	(157,086)
Proceeds from treasury shares transferred to employees	26,791	48,075
Imposition of disgorgement	<u>-</u>	<u>140</u>
Net cash generated from (used in) financing activities	<u>(196,217)</u>	<u>1,001,981</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,899</u>	<u>(2,633)</u>
NET INCREASE (DECREASE) IN CASH	(146,497)	(73,293)
CASH, BEGINNING OF THE YEAR	<u>611,607</u>	<u>684,900</u>
CASH, END OF THE YEAR	<u>\$ 465,110</u>	<u>\$ 611,607</u>

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

(Concluded)

Dyaco International Inc.
List of Director Candidates

No	Name	Education	Key Past Positions	Current Position	Shares Held (Unit: Share)
1	CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, Ing-Gin	Master of Professional Accounting, University of Texas	Founder of Dyaco International Inc	Chairman of Dyaco International Inc	8,111,882
2	Zhuang, Zhu-Wei	Bachelor of Department of Fiber and Composite Materials, Feng Chia University	General Manager of CHANITEX CO., LTD. Chairman of CHANITEX Education Foundation	General Manager of CHANITEX CO., LTD. Chairman of CHANITEX Education Foundation	1,000,000
3	YONG-HENG INVESTMENT CORPORATION Representative: Lam, Yuk	Bachelor of Business studies, National university of Ireland, Dublin	Executive Assistant of DA WU JIANG INTERNATIONAL CO.,LTD.	Executive Assistant of DA WU JIANG INTERNATIONAL CO.,LTD.	6,318,057

Dyaco International Inc.

List of Independent Director Candidates

No	Name	Education	Key Past Positions	Current Position	Shares Held (Unit: Share)
4	Wang, Kai-Li	PhD of Economics Sciences, Utah State University	Director, Department of Financial, Tunghai University Director of EMBA of Tunghai University Committee financial member of Taiwan Economic Association	Professor, Department of Financial, Tunghai University Independent Director of Ginko International Co., Ltd. Independent Director of AKER Co., Ltd. Vice chairman of Taiwan Mergers & Acquisitions and Private Equity Council	0
5	Wang, Chih-Cheng	PhD of College of Law, National Chengchi University	Committee member of Foundation of Finance Members of the Board of Examiners, Examination Yuan Deputy Minister of Fair Trade Commission, Executive Yuan Confidential Secretary Executive Officer of Executive Yuan Secretary of Bureau of Monetary Affairs, Ministry of Finance Professor, School of Law, National Cheng Kung University Professor, School of Management, National Taiwan University of Science and Technology Adjunct Professor, School of Law, Soochow University	Professor, College of Law, National Chung Cheng University Director of The Securities and Futures Investors Protection Center Director of The Financial Ombudsman Institution, Arbitrator of Chinese Arbitration Association Member of TPEx Listing Review Committee, Taipei Exchange Member of the Securities Listing Review Committee, TWSE Independent Director of CTBC Financial Holding Co., Ltd. Independent Director of Taiwan Life Insurance Co., Ltd. Independent Director of	0

				Lucky Cement Corporation	
6	Wu, Jiin-Po	PhD of business computer system, university of North Texas	System analyst of Wei Chuan CORP. Lecturer, University of North Texas Associate Professor, Department of Information Management, Tamkang University Department Head, Department of Leisure Management, Tamkang University	Associate Professor, Department of Information Management, Tamkang University	0
7	Tu, Chi-Yao	PhD of Economic Law, China University of Political Science and Law	Partner of tax function, Deloitte & Touche Taiwan The expert of financial and economic law, Straits Exchange Foundation	Independent Director of Yummy Town (Cayman) Holdings Corporation Independent Director of Teco Electro Devices CO., Ltd.	0

Dyaco International Inc.

Content of Non-competition on Directors

Candidate category	Name	Company and Position
Director	CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, Ing-Gin	Director of Dyaco International Holding Limited Director of Fuel Spirit International Inc. Director of Dyaco Canada Inc. Director of Dyaco UK Ltd. Director of Dyaco Europe GmbH Director of Dyaco (Shanghai) Trading Co., Ltd.. Director of SOLE Inc. Director of Neutron Ventures Ltd. Director of Shelton Corporation (Jiaxing), Ltd. Chairman of IUVO INDUSTRY CO. Ltd.

Dyaco International Inc.

Articles of Incorporation

Section I - General Provisions

- Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 岱宇國際股份有限公司 in the Chinese language, and Dyaco International Inc. in the English language.
- Article 2 The scope of business of the Company shall be as follows.
- A. CA02990 Other Metal Products Manufacturing
 - B. CC01080 Electronics Components Manufacturing
 - C. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
 - D. CF01011 Medical Devices Manufacturing
 - E. CH01010 Sporting Goods Manufacturing
 - F. CN01010 Furniture and Decorations Manufacturing
 - G. F108031 Wholesale of Medical Devices
 - H. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 - I. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
 - J. F208031 Retail Sale of Medical Apparatus
 - K. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 - L. F219010 Retail Sale of Electronic Materials
 - M. F401010 International Trade
 - N. J801030 Athletics and Recreational Sports Stadium
 - O. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 : When necessary for its operations, the Company may provide endorsement and guarantee in accordance with the “Operational Procedures for Providing Endorsement and Guarantee” of the Company.
- Article 2-2 : The aggregate amount of the Company’s investment in other entities is not subject to the restriction stipulated in Article 13 of the Company Law.
- Article 3 : Company is headquartered in New Taipei City, Taiwan and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by the board of directors.
- Article 4 : Public announcements of the Company shall be made in accordance with the

provisions of Article 28 of the Companies Act.

Section II - Capital Stock

Article 5 : The authorized capital of the Company is NT\$20 billion, consisting of 2 billion shares, all of common stock, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required, of which 10 million shares are reserved for stock options with warrants or corporate bonds for the exercise of stock options. The board of directors is also authorized to issue shares in separate installments as required.

Article 5-1 : If the exercise price in relation to the employee stock options issued by the Corporation is lower than the closing price of the common shares of the Corporation as of the issue date, it shall be approved by at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares. If the Corporation wishes to transfer an employee stock option to an employee at a price lower than the average price of the shares that were bought back, it shall be approved by at least two-thirds of the voting rights represented at the latest shareholders' meeting attended by shareholders representing a majority of the total issued shares.

Article 5-2 : Treasury stock purchased by the Company can be transferred to the employees of parents or subsidiaries of the Company or controlled by the Company. Stock warrants of the Company can be issued to the employees of parents or subsidiaries of the Company or controlled by the Company.

Article 6 : The stocks issued by the corporation are not paper-printed and shall be in compliance with Regulations Governing Book-Entry Operations for Centrally Deposited Securities.

Article 7 : All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to an extraordinary shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Article 7-1 : All stock processing and related activities shall follow the Financial Supervisory Commission's "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

Section III - Shareholders' Meeting

Article 8 : Shareholders' meetings of the Company are of two kinds: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.

When calling an annual general meeting, all shareholders shall be notified of the meeting date, location and the reasons for convening 30 days in advance. When calling an extraordinary general meeting, all shareholders shall be notified of the meeting date, location and the reasons for convening 15 days in advance. When this Corporation holds a shareholder meeting after approved by shareholders, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.

Article 9 : In case a shareholder is unable to attend a shareholders' meeting, the shareholder may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Law.

Article 10 : A shareholder shall be entitled to one vote for each share held, except when the Rules are restricted shares.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.

When this Corporation holds a shareholder meeting after the shares of companies listed, it shall adopt exercise of voting rights by electronic means.

Article 10-1 : A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda.

Article 11 : Unless otherwise provided for in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of this Corporation.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation °

Article 12 : The shareholders' meeting shall be convened by the board of directors; the chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, pursuant to Article 208 of the Company Act, the shareholders' meeting shall be convened by others who have the right to convene a meeting and he or she shall be the chairman. If there is more than one person with the rights to convene a shareholders' meeting, they shall nominate a chairman from among themselves.

Article 13 : The Company may, in pursuance of the resolution adopted by Board of Directors, apply for an approval of ceasing its status as a public company by a resolution adopted, at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.

In the event the total number of shares represented by the shareholders present at a shareholders' meeting of the Company whose shares have been issued in public is less than the percentage of the total shareholdings required in the preceding Paragraph, the resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company.

Article13-1 : In accordance with Article 56-1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares. According to the aforementioned, the exercise price of employee stock warrants may be lower than the closing price of the company stocks as of the issuing date.

Article 13-2 : In accordance with Article 10-1 of Regulations Governing Share Repurchase by Listed and OTC Companies after the shares of companies listed, to transfer shares to employees at less than the average actual share repurchase price, a company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares, and must have listed the following matters in the notice of reasons for that shareholders meeting

Section IV - Board of Directors

Article 14 : The Company shall have five to thirteen Directors. All Directors shall have a term of three years and be eligible for re-election upon expiry of such term.

There shall be at least three Independent Directors, who shall represent more than one-fifth of the Board of Directors. The relevant professional qualifications, method of nomination and election, and other matters of compliance with respect to Independent Directors shall be governed by the relevant laws and regulations.

To be elected by a shareholders' meeting from a list of directors and independent directors candidates through the candidate nomination system.

The total registered shares owned by the directors and supervisors of a public company shall not be less than the percentage of total issued shares specified below, the provisions on the minimum percentage requirements for the shareholding respectively of all directors.

Article 14-1 : The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.

Article 14-2 : The election of Directors shall be held in accordance with Article 198 the Company Act. Independent and non-Independent Directors shall be elected at the same time. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.

Article 14-3 : Pursuant to the provisions of Article 14-4 of the Securities Exchange Act, the Corporation shall establish an Audit Committee. The Audit Committee and its members shall fulfill their supervisory duties pursuant to the relevant provisions of the Company Act, the Securities Exchange Act, and other relevant laws and regulations.

Article 15 : When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. Servicing term is limited and equals to the remaining time of original term.

When the number of directors falls for any reason(including resignation, dismissal and expiration of the term), this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the independent directors are

dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 16 : In case a company, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors.

The Chairperson of the Board shall represent the Company over all matters of the Company.

Article 17 : Unless otherwise specified in the Company Act, meetings of the Board of Directors shall be convened by the Chairman of the Board. A notice setting forth the purpose of the meeting shall be given to each Director no later than seven days prior to a Board meeting; however, a Board meeting may be convened at any time in case of emergency. A meeting of the Board of Directors shall be called in writing, via email or facsimile.

Article 18 : In the event that the Chairman of the Board takes leave of absence or is otherwise unable to perform his or her duties as Chair, in accordance with the provisions of Article 208 the Company Act shall serve as Chair.

Article 19 : The director shall attend the meeting of the board of directors in person. Any Director can also represent any other excused Director in the Board of Directors' Meeting upon presentation of proxies sealed by his/her representing Director indicating the authorized rights in the Meeting. The authorized representative Director is entitled to the vote right. However, each Director is limited to represent one other Director only in each Meeting. Directors can also attend the Board of Directors' Meetings through video communications and are considered as formal attendance in person.

Article 20 : (Article 22)

Article 21 : The directors' compensation shall be determined by the Remuneration Committee with respect to their participation in and contribution to the operations. The Board of Directors is authorized to distribute remuneration in accordance with the Remuneration Committee's assessment and the typical pay levels adopted by peer companies. The transport allowance of all directors shall be determined by the Board of Directors. The Board of Directors shall authorize the Chairman to handle the compensation for the director's duties in accordance with the Company's internal regulations if a director holds other positions within the Company.

Article 21-1 : The company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

Section V - Managerial Officer

Article 22 : The Company may appoint the management, whose commissioning, decommissioning and pay rate shall be as pursuant to Article 29 of the Company Act.

Section VI - Financial

Article 23 : After the end of each fiscal year, the following report shall be prepared by the Board of Directors, which deliver the same to Audit Committee for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the Audit Committee, shall be submitted to the general shareholders' meeting for acceptance: Business Report, Financial statements and Proposal concerning allocation of earnings or making up losses.

Article 24 : In accordance with the current Articles of Incorporation, the Company shall distribute compensation to employees at a rate not less than 1% of the current year's earnings and to directors at a rate not more than 5% of the current year's earnings, but shall make up for any accumulated losses of the Company. The aforementioned earnings for the year represent the current year's pre-tax earnings before distributions of compensation to employees and directors. The distribution of compensation to employees and directors shall be made by a resolution of the Board of Directors with the approval of a majority of the presenting directors with at least two-thirds of the directors presenting and shall be reported to the shareholders' meeting. Employee compensation may be in the form of stock or cash and may be paid to employees of the Company who meet certain criteria

Article 25 : In accordance with the Company's Articles of Incorporation, if there is any earnings in the Company's annual accounts, the Company shall first pay taxes and make up for accumulated deficits, and the next 10% shall be set aside as legal reserve, and special reserve shall be appropriated or reversed as required by law or by the competent authorities; if there is any earnings, the remaining balance, plus the accumulated undistributed earnings from previous years, shall be distributed by the Board of Directors upon a resolution of the shareholders' meeting.

In accordance with the Company Law, the Board of Directors is authorized to distribute dividends and bonuses or all or part of the legal reserve and capital reserve as prescribed in Paragraph 1 of Article 241 of the Company Law in cash

pursuant to a resolution adopted by a majority vote of the meeting attended by two-thirds or more of all the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 26 : The Company's dividend policy is to distribute dividends in accordance with the overall operating environment and the growth characteristics of the industry, taking into account factors such as undistributed earnings, capital reserves, financial structure and operating conditions, in order to stabilize business development and protect investors' interests. The Company shall distribute the earnings in an amount not less than 10% of the distributable earnings for the year; however, if the amount of distributable earnings is less than 1% of the paid-in capital, it may be transferred to retained earnings without distribution. Shareholder bonuses may be distributed in the form of cash or stock dividends, of which cash dividends are limited to not less than 10% of the current year's shareholder bonus, except that stock dividends may be paid in full if the cash dividend is less than \$1 per share.

Section VI - Supplementary Provisions

Article 27 : In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 28 : These Articles of Incorporation were agreed to and signed on May 29, 1990.

The 1st Amendment was on November 30, 1990.

The 2nd Amendment was on September 20, 1991.

The 3rd Amendment was on May 1, 1993.

The 4th Amendment was on March 7, 1999.

The 5th Amendment was on April 30, 2007.

The 6th Amendment was on January 24, 2008.

The 7th Amendment was on May 26, 2008.

The 8th Amendment was on September 26, 2008.

The 9th Amendment was on October 26, 2009.

The 10th Amendment was on June 23, 2011.

The 11th Amendment was on July 22, 2011.

The 12th Amendment was on June 5, 2012.

The 13th Amendment was on October 18, 2012.

The 14th Amendment was on August 8, 2013.

The 15th Amendment was on June 26, 2015.

The 16th Amendment was on June 29, 2016.

The 17th Amendment was on May 26, 2017.

The 18th Amendment was on May 30, 2019.

The 19th Amendment was on May 28, 2020.

The 20th Amendment was on May 27, 2022.

Dyaco International Inc.

Rules of Procedure for Shareholders Meetings

Article 1

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, shall be as provided in these Rules.

Article 2

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders meeting notice.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 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 regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 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.

After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting via visual communication network, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 4

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 5

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

Where a virtual shareholders meeting is convened, how shareholders attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events, how issues are dealt with, the date to which the meeting is postponed or on which the meeting will resume, and other matters for attention shall also be included in the minutes. 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.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting 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

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

When 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.

Article 7

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its 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.

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 attendance book and sign-in cards handed in and the shares checked in on the virtual meeting, plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 10

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

In the event of a virtual shareholders meeting, the Company shall also declare 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 Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

Article 11

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary 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 in accordance with 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 opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary 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, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 12

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 13

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 14

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

Article 15

When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote.

Article 16

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

Article 17

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 this Corporation, that

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

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.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 18

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

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two 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 by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the

meeting shall prevail.

At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 19

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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

Article 20

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 conclusion of

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to force majeure events, and how issues are dealt with shall also be included in the minutes.

Article 21

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting 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.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting is released 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 GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 22

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 23

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 continued use and not all of the items (including extraordinary 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 five days in accordance with Article 182 of the Company Act.

Article 24

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Election results shall be announced and recorded immediately.

Article 25

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When no objections are raised by attending shareholders against the Chair's motion, the passage is official. The validity of motion is equal to election votes.

Article 26

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 27

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 28

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 29

In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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 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 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, in which case Article 182 of the Company Act shall not apply.

During a postponed or resumed session of a shareholders meeting held under the preceding paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shareholders whose names appear on the shareholders' roster at the original shareholders meeting are entitled to attend the meeting.

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.

When the Company convenes 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 case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

【Appendix 2】

To convene a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 30

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

Dyaco International Inc.

Procedures for Election of Directors

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and independent directors shall be conducted in accordance with these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4 The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and independent directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and independent directors will be elected

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7 The board of directors and independent directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and

non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 If the candidate is a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number, and the number of votes cast for such candidate. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name, the candidate's ID number, and the number of votes cast for such candidate. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column.

Article 11 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect.
5. Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number) and the number of votes cast for the candidate.
6. The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers) not being indicated to distinguish them.

Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and independent directors, and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

Article 13 The board of directors of this Corporation shall issue notifications to the persons elected as directors and independent directors..

Article 14 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

【Appendix 4】

Dyaco International Inc.

Shareholdings of All Directors

Record Date: March 28, 2023

Title	Name	Elected Date	Shares holding on election			Current Shares		
			Share Type	Shares	Ratio to issued shares % at the time	Share Type	Shares	Ratio to current issued shares %
Chairman	Lin, Ing-Gin	2020.05.28	Common Stock	10,063,283	8.74%	Common Stock	10,013,283	7.47%
Director	Chuang, Chu-Wei	2020.05.28	Common Stock	538,000	0.46%	Common Stock	1,000,000	0.75%
Director	Chang, Chih-Chuan	2020.05.28	Common Stock	189,093	0.16%	Common Stock	123,093	0.09%
Director	Wanshida Construction Co.,Ltd. Representative:Li, Bo-Yi	2022.05.27	Common Stock	639,000	0.47%	Common Stock	628,000	0.47%
Independent Director	Hsieh, Chang-Hung	2020.05.28	Common Stock	0	0.00%	Common Stock	0	0.00%
Independent Director	Wang, Kai-Li	2020.05.28	Common Stock	0	0.00%	Common Stock	0	0.00%
Independent Director	Wang, Chih-Cheng	2020.05.28	Common Stock	0	0.00%	Common Stock	0	0.00%
Total			Common Stock	11,429,376			11,764,376	

Total issued shares on March 30, 2020: 115,100,887 shares

Total issued shares on March 29, 2022: 134,114,754 shares

Total issued shares on March 28, 2023: 134,114,754 shares

Note:

1. Total Directors' Stock Shares should be 8,046,885 shares according to Laws. 11,764,376 shares are owned by Directors by March 28, 2023.
2. The Corporation has established an Audit Committee, so the provision regarding the minimum shareholding that supervisors are required to hold is no longer applicable.
3. Shareholdings owned by the directors did not include shares held by the independent directors.