



Billion Electric Co., Ltd.

2023 Annual Shareholders'
Meeting
Meeting Handbook

Meeting form: Physical shareholders' meeting

Meeting time: 9:00 AM on June 7 (Wednesday), 2023

Meeting place: Floor 16, No. 192 Section 2, Zhongxing Road,
Xindian District, New Taipei City

(Conference Room on floor 16 of the head office)

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Billion Electric Co., Ltd.
2023 Annual Shareholders' Meeting
Procedures

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[Meeting Agenda]

Billion Electric Co., Ltd.
2023 Annual Shareholders' Meeting Agenda

Meeting time: 9:00 AM on June 7 (Wednesday), 2023

Meeting place: Floor 16, No. 192 Section 2, Zhongxing Road, Xindian District, New Taipei City (Conference Room on floor 16 of the head office)

Meeting Procedures:

I. Meeting Called to Order

II. Chairperson Remarks

III. Report Items

- (I) 2022 Business Report
- (II) Report on the 2022 Final Statement by the Audit Committee
- (III) Report on the Execution of Redemption of Treasury Shares
- (IV) Proposal for the Distribution of Remuneration for Employees and Directors
- (V) for 2022
 - Report on Issuance of Private Securities in 2022 (including Opinion issued by Brokerage Firm on Reasonableness and Necessity)

IV. Proposals

- (I) Proposal for the 2022 Business Report and Financial Statements
- (II) Year 2022 Profit Distribution Proposal

V. Election Matters

- (I) Proposal for the By-election of Directors

VI. Other Proposals

- (I) Proposal on release of new directors from restrictions on competition.

VII. Extemporaneous Motions

VIII. Adjournment

[Report Items]

Case 1

Subject: Year 2022 Business Report

Explanation: For the 2022 Business Report of the Company, Please refer to pages 8-11 of the handbook.

Case 2

Subject: Report on the 2022 Final Statement by the Audit Committee

Explanation: I. The 2022 final statement of the Company has been approved by the board of directors and reviewed by the audit committee, and a review report has been issued, reviewed and signed by Astor Kou and Sinney Kuo, two certified public accounts of KPMG Taiwan.

II. The audit committee is required to read out the review report. Please refer to Appendix 2 on page 12 of the handbook.

Case 3

Subject: Report on the Execution of Redemption of Treasury Shares

Explanation: The execution of redemption of treasury shares is as follows:

Redemption period	2020/12/29-2021/02/01	2021/6/22-2021/8/9	2022/08/10-2022/09/28
1. Number of shares redeemed:	1,200,000 shares	800,000 shares	168,000 shares
2. Total amount of redemption:	NT\$22,822,074	NT\$18,492,041	NT\$3,181,498
3. Average redemption price per share:	NT\$19.02	NT\$23.12	NT\$18.94
4. Accumulated shares held in the Company:	1,200,000 shares	2,000,000 shares	1,191,000 shares
5. Proportion of accumulated treasury shares against the shares of the Company:	1.21%	2.02%	1.202%
6. Purpose of redemption:	Transferred to employees	Transferred to employees	Transferred to employees
7. Execution:	(1) Transfer 962,000 shares to employees on September 30, 2021 (2) Transfer 15,000 shares to employees on September 22, 2022 (3) Transfer 25,000 shares to employees on March 17, 2023	Not transferred yet	Not transferred yet
	Number of remaining shares 198,000 shares	Accumulated remaining shares 998,000 shares	Accumulated remaining shares 1,166,000 shares

Case 4

Subject: Proposal for the Distribution of Remuneration for Employees and Directors for 2022

Explanation: The estimated employee remuneration of NT\$2,500,000 and director remuneration of NT\$360,000 in 2022 were estimated at 5.29% and 0.76% of the pre-tax benefit (the pre-tax benefit after deducting the remuneration to employees and directors of the year) of NT\$47,272,699, respectively, which were paid in cash.

Case 5

Subject: Report on Issuance of Private Securities in 2022 (including Opinion issued by Brokerage Firm on Reasonableness and Necessity)

Explanation: I. On March 15, 2023, the Company raised NT\$529.8 million in private placement proceeds for the year 2022 at a price of NT\$35.32 per share and issued 15 million shares of ordinary shares at NT\$10 per share, for which the changes have been approved by the Ministry of Economic Affairs for registration on March 22, 2023 in the Jing Shou Shang Zi No.11230048780 Letter.

II. For the opinion issued by brokerage firm on reasonableness and necessity, please refer to Appendix 4 on pages 29-33 of the handbook.

III. For the information on the private placement of negotiable securities in 2022, please see Appendix 5 on page 34 of the handbook.

[Proposals]

- Case 1 (Proposed by the Board of Directors)
- Subject: Year 2022 Business Report and Financial Statements are submitted for approval.
- Explanation:
- I. The Year 2022 Business Report and Financial Statements (including the consolidated financial statements) have been approved by the board of directors and reviewed by the audit committee, and a review report has been issued, among which the Financial Statements have been reviewed and signed by Astor Kou and Sinney Kuo, two certified public accounts of KPMG Taiwan.
 - II. For the above Independent Auditors' Report, Financial Statements and Business Report, please refer to pages 8-11 and pages 13-28 of the handbook.

Resolution:

- Case 2 (Proposed by the Board of Directors)
- Subject: Year 2022 Profit Distribution Proposal is submitted for approval.
- I. The Company's net income after tax in 2022 was NT\$39,904,955. In accordance with the law, 10% of the total amount of NT\$4,308,732 is appropriated as legal reserve. In accordance with the Company's Articles of Incorporation, it is proposed to distribute cash dividends to shareholders in the amount of NT\$29,387,343 from the accumulated available-for-distribution earnings at the end of the period, with an allotment of NT\$0.3 per share.
 - II. After this proposal is approved by the shareholders' meeting, the Chairman of the Board will be authorized to determine the ex-dividend base date and other related matters.
 - III. If, prior to the ex-dividend base date, the number of outstanding shares is affected by the repurchase of the Company's shares, the transfer or cancellation of treasury stocks, or the conversion of convertible bonds, resulting in a change in the dividend distribution rate to shareholders, the Chairman is authorized to exercise his full authority to handle such changes.
 - IV. The cash dividends allotted will be distributed in cash until NT\$1 (rounded down to the nearest NT\$1) and any deficiency of less than NT\$1 will be included in other income of the Company.
 - V. The profit distribution proposal is as shown in the following table. Please approve.

Billion Electric Co., Ltd.
Year 2022 Profit Distribution Table

Unit: NT\$

Item	Amount
Accumulated earnings distributable at the beginning of the period	4,128,858
Add: Re-measurement of defined welfare actuarial benefit recognized in retaining earnings	3,182,362
Losses to be recovered after adjustment	7,311,220
Add: Net profit after tax in 2022	39,904,955
Subtotal	47,216,175
Less: Appropriation of legal surplus reserve	(4,308,732)
Add: Reversal of special reserve (Notes 1-3)	18,277,609
Accumulated earnings distributable at the end of the period	61,185,052
Distribution Items:	
Dividends to shareholders (NT\$0.3 per share in cash) (Notes 4-5)	29,387,343
Undistributed earnings at the end of the period	31,797,709

(Note)

1. According to the provisions of JGZFF No. 1010012865, a total of NT\$-6,080,390, including the exchange differences on translating the financial statements of foreign operations as of Dec. 31, 2022, namely NT\$-41,491,876, and the unrealized gains or losses on financial assets at fair value through other comprehensive income, namely NT\$-47,572,266, shall be appropriated to the special surplus reserve.
2. As of December 31, 2021, the Company has provided for special reserve totaling NT\$65,849,875.
3. As a result of the above item 1 ~ item 2, as of December 31, 2022, the Company has recorded an additional special reserve of NT\$18,277,609.
4. The treasury stocks held by the Company shall not be entitled to shareholders' equity under the law. However, if there is a change in the number of treasury stocks before the distribution date, the amount of distribution per share will be adjusted based on the percentage of shareholders' shares as stated in the register of shareholders on the distribution date, provided that the total amount of dividends to shareholders remains unchanged.
5. This distribution table is based on the 97,957,811 shares outstanding as of February 28, 2023.

Chairman:

Manager:

Accounting
supervisor:

Resolution:

[Election Matters]

- Case 1 (Proposed by the Board of Directors)
- Subject: Proposal for the By-election of Directors
- Explanation:
- I. There is a vacancy of one director in the current Board of Directors and one director is proposed to be elected.
 - II. Election of directors adopts a candidates nomination system, and the shareholders shall elect the director from among the nominees listed in the roster of director, and the term of office of the new director is calculated from June 7, 2023, to August 19, 2024. The number of candidates for the new director is one and it has been reviewed and approved at the meeting of the board of directors on April 21, 2023. Please refer to the following table for the list of candidates for directors.
 - III. Call for election.

List of Candidates for Directors

Name of candidate	Main education (experience)
Representative of Sino-American Silicon Products Inc. Chen-Chien Chen	M.B.A., National Taiwan University Completion of the law degree course at National Taiwan University Department of Accounting, Chung Yuan University General Manager of Sino-American Silicon Products Inc. Senior Partner of KPMG Taiwan Lead Accountant in the Electronics and Semiconductor Industry Director and CEO of the Foundation for Financial Research and Education Manager of Underwriting Department of Great China Securities Limited

Election Results:

[Other Proposals]

Case 1 (Proposed by the Board of Directors)

Subject: Proposal on release of new directors from restrictions on competition.

Explanation: I. In accordance with Article 209 of the Company Act, “A director who performs acts for himself/herself or for another person that fall within the scope of the company's business shall explain the content of his/her acts to the shareholders' meeting , and obtain approval.”

II. Other positions of the candidate of the director:

Name of director	Name and position of company operating similar business
Representative of Sino-American Silicon Products Inc. Chen-Chien Chen	General Manager of Sino-American Silicon Products Inc.

III. If the director elected by the Company also engages in the same or similar business activities as the Company, the Company shall request the approval of the shareholders' meeting to release the director from the prohibition of competition in accordance with the law.

IV. Please approve.

Resolution:

[Extemporaneous Motions]

[Adjournment]

Billion Electric Co., Ltd.
Year 2022 Business Report

First of all, all shareholders are appreciated for their support and encouragement for the Company in the past year, and the results of operations in 2022 and future company development strategy are hereby reported to all shareholders as follows:

I. Results of operations in 2022

(I) Business Policy and Implementation

Billion Electric Co., Ltd. focused on the net zero carbon emission and carbon neutrality of the world and the "2050 Net Zero Emission Pathway" issued by the Taiwan government in 2022, and is committed to developing ICT solutions green energy undertakings and generating new business performance based on the combination of electronics and network communication technologies, including:

1. Billion Watts' Energy Storage System Integration Service (SI) - a one-stop-shop solution for design planning/construction and commissioning/operation and maintenance.
2. Billion Electric's self-owned energy storage project is participating in Taipower's AFC power trading platform - 7.1MW has been put into operation (3MW under construction to be completed for trading in 2023).
3. Localized Energy Storage Container Assembly Plant - providing energy storage products and foundry services.

The main product lines of Billion Electric Co., Ltd. include communications (routers, in-vehicle and industrial networking), power and energy management (custom power and energy storage foundry), and green energy business (energy storage and solar energy solutions and investment in solar power plants and energy storage stations).

Due to the growth potential of 5G FWA and to meet the demand of 5G IoT applications and 5G private network opportunities, Billion Electric Co., Ltd. launched its LTE terminal equipment (LTE Advanced Pro) in 2022, which can support connection speed up to 1200Mbps. In terms of 5G terminal equipment, the 5G Sub-6GHz ODU 8231 was launched in September 2022 and received FCC CBSD certification, making it the first 5G CBSD product in North America again. In Q4 of the same year, OnGo® was certified again and began working with North American cable operators by the end of 2022. In addition, the 5G mm Wave high-speed transmission speed that can support 2.5 Gigabit Ethernet LAN interface has been tested in North America by wireless service

providers.

In M2M engineering devices, the product positioning is based on intelligent vehicles and public safety, including intelligent buses, police vehicles, fire trucks and other applications. The new model supports M12 connector. A 5G NR router with M12 and FAKRA connectors has been launched for the European automotive market. With the special connector design, it can be installed correctly in any environment, and with the smart Ignition sense power detection function, it can ensure the proper operation of batteries. The business strategy for M2M products focuses on vertical markets with industrial Ethernet switches paired with 5G/LTE routers for in-vehicle, industrial control, and video security applications.

In the power and energy management business, we continue to focus on niche custom power products. As the demand for renewable energy with energy storage is increasing, we are using our local assembly plant to increase the applications of energy storage products. In particular, according to the latest energy ration announced by the Ministry of Economic Affairs for 2030, the proportion of green energy will be increased to 30%, while gas will remain at 50% and coal at 20%. In accordance with the policy goal of achieving the market share of 100% for electric vehicles by 2040, Billion Electric Co., Ltd. has started the layout of electrification of its transportation equipment and invested in GROWATT at the end of 2022, officially entering the ground-type PV 1500V converter market. It is expected that the Company will launch EV charging piles and home and commercial energy storage products constantly. At the same time, Billion Electric Co., Ltd. has signed cooperation agreement with Shift Clean Energy, a Canadian energy solution provider, for electric ship battery and PwrSwäp battery exchange technology, to assist the energy saving and emission reduction in the transportation industry in Taiwan.

For its subsidiary, Shengqi Green Energy, the Company has been optimizing the brand and project of professional solar transformers, and the new business groups established this year include: The THV SCADA monitoring system is introduced to SolarEdge's Korean battery brand Kokam and Saft, a subsidiary of Total Energies Group, to join Taipower's "Auxiliary Services and Spare Capacity Trading Pilot Platform". In future, the company will further provide professional after-sales operation and maintenance and bidding agency services in accordance with the "solar photovoltaic combined energy storage policy" of the Bureau of Energy, Ministry of Economic Affairs, be more devoted to the layout of overall service provider to implement the development policy "profession, neutrality, development and integration" and enhance the efforts and orientation of overall services continuously, and expect to cultivate the market continuously, expand the market share and create more shareholder value.

Now, Shengqi Green Energy has four product projects, namely sale of professional

inverters, development and introducing of the integrated monitoring system, and establishment of the energy storage system engineering, as well as establishment of the operation and maintenance and public works system.

The first project is the sale of professional inverters: The target project is the completion of the 77.52MWp ground-mounted project in Tainan's Qigu District in 2022. This is SolarEdge's largest single site project in the world, and this year, we have again won the second phase of the 13MWp Wushantou Reservoir bid using SolarEdge's solution.

The second project is the development and introduction of the integrated monitoring system: In addition to the extra-high voltage SCADA monitoring system, Pixel View officially passed the DREAMS software certification in January 2022, becoming the first company in Taiwan that has passed both hardware and software tests.

The third project is the establishment of the energy storage system: At present, Shengqi has signed contracts for 20 energy storage system integration projects, totaling 91.55MW, all of which are one-stop products and services. Shengqi focuses on the development and expansion of EMS software functions, deeply cultivates its own technologies to ensure the flexibility of one-stop management and customizable software services for most of the subsequent sites, and aims to expand the scale of energy storage installation in Taiwan by 50MW per year.

The fourth project is the establishment of the O&M and public works system. Shengqi has 7 employees with power trader licenses issued by Taipower and is qualified to bid for aggregators on behalf of customers. With 15 employees holding E&M and labor safety licenses and SolarEdge/Kokam original training certificates, the Company has set up direct engineering and public works service bases in Taipei, Yunlin, Nanzhi, and Longde to improve its after-sales technical service capabilities as a professional solar and energy storage equipment service provider.

(II) Business Plan Implementation Results

In 2022, the Company's consolidated net revenue was NT\$1,211,418,000, with a gross margin of 24.5%, and the net profit after tax per share was NT\$0.41.

The Company's consolidated revenue for 2022 increased by \$162,471,000 (15%) compared to 2021, mainly due to the increase in revenue of solar energy and energy storage product lines, which together accounted for NT\$685,003,000 in 2022, an increase of NT\$298,730,000 compared to 2021, representing a 77% growth rate. In 2022, solar energy and energy storage products were the growth drivers of the Company's business, accounting for 43% of revenue in the first quarter, which increased to 54% in the second quarter, 58% in the third quarter, and 65% in the fourth quarter.

(III) Analysis of Financial Income and Expenditure and Profitability

1. Analysis of the General Situation of Financial Income and Expenditure:

Unit: NT\$1,000

Item	2022	2021	Difference	Difference (%)
Net revenue	1,211,418	1,048,947	162,471	15%
Gross operating profit	297,204	322,066	(24,862)	(8%)
Net operating profit	5,761	5,585	176	3%
Net profit of the unit continuing in business in the year	50,866	35,524	15,342	43%
Net profit of the year	50,866	35,524	15,342	43%

2. Profitability Analysis

Item		2022	2021
Financial structure	Ratio of liabilities to total assets (%)	47.86	39.77
	Ratio of long-term funds to property, plant and equipment (%)	316.14	302.02
Profitability	Return on total assets (%)	2.00	1.63
	Return on equity (%)	3.10	2.34
	Net margin (%)	4.20	3.39
	Earnings (losses) per share (NT\$)	0.41	0.28

(IV) Research and Development Status

1. M2M product
2. LTE and 5G product
3. Niche power supply for industrial control, vehicle use and medical use
4. Renewable energy intelligent monitoring system software and hardware
5. Large-scale energy storage system and optical storage system
6. Integration system for electric vehicle charging pile
7. Establishment of energy storage center
8. Third-party information integration system provided by Web Service

II. Year 2023 Business Plan

(I) Business Policy

1. Continue to promote the Billion communication brand, improve advantages in the North America, layout business in Europe, deepen business in Asia and strive for 5G/4G communication market opportunities.

2. Establish relations with telecommunication operators and system integrators actively and strive for more M2M orders.
3. Meet the demand for customization of niche power supply products and continue to expand the LED Driver market.
4. Continuous establishment and sale of standard power adapter products.
5. Manufacture and sell energy storage products.
6. Go deeply into the solar market continuously and provide professional equipment and services for EPC and power plant investors.
7. Provide solutions for continuous energy storage and solar energy projects, and invest in solar power plants and energy storage power plants.
8. Provide professional integration and diversified energy solutions, including one-stop services for project construction, operation and maintenance.

(II) Important production and sales policy

1. Develop products with high added value and high gross margin to enhance the whole competitiveness.
2. Establish professional agency lines of renewable energy equipment, further seek the sale of AI monitoring equipment, energy storage equipment and other advanced equipment and meanwhile, strengthen the local design and manufacturing capacity in Taiwan.
3. Become the first energy service provider in Taiwan and the listed company with technologies and R&D as the core.
4. Focus on both the development of independent products and agency of other products to build the image as a multinational company in the world.
5. Assist the companies intending to reduce carbon emissions and meet ESG specifications to design and plan their zero carbon emission paths.
6. Develop into the one-stop renewable energy and service (Energy as a Service, EaaS) company in Asia, covering PV, energy storage and intelligent grid.

III. Future Development Strategies of the Company

1. Conduct the brand continuously and develop products with high added value and the 5G new communication market.
2. Continuously consolidate our advantages in solar power plants, converters, smart storage systems and maintenance, agency resource bidding, and asset management services.
3. Continue to enhance EMS energy management (E-dReg/PV storage integration/demand, peak cut, supplemental standby/charging piles).
4. Continuously grasp the source of development, contracting ability, and the ability of advanced product technology and project management, maintenance and warranty maintenance personnel competitive value.

5. Provide professional integrated and diversified energy solutions covering PV, energy storage, and smart grid.
6. Grasping the key strategic opportunity of the "2050 Net Zero Emission Pathway", we will develop products and services in the areas of power systems, energy storage, regional power grids, power resale, and AI analysis.

IV. Be affected by the external competitive environment, regulatory environment and overall business environment.

The government is vigorously promoting and forcing the installation of renewable energy equipment through legislation, it is expected that the installations of green energy and energy storage equipment in Taiwan will be increased greatly in future, and due to the urgent need for high quality products and services at the market, it is the best time to invest in the field, and Billion will grasp the opportunity to fully develop and invest in the green energy and energy storage field.

Chairman:

Manager:

Accounting
supervisor:

Billion Electric Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared the Company's business report, financial statements (including consolidated financial statements), and the profit distribution proposal for 2022, in which the financial statements (including consolidated financial statements) have been audited by KPMG Taiwan as entrusted by the board of directors, with the audit report issued.

The above business statement, financial statements (including the consolidated financial statements), and profit distribution proposal have been verified by the Audit Committee and deemed as appropriate, and reported in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for approval.

Sincerely,
2023 Annual Shareholders' Meeting of the Company

Billion Electric Co., Ltd.
Chairman of the Audit Committee:

March 14, 2023

CPA's Audit Report

To: Board of Directors of Billion Electric Co., Ltd. For general public information:

Audit opinions

The Consolidated Balance Sheets of Billion Electric Co., Ltd. and its Subsidiaries (the Billion Group) as of December 31, 2022, and the Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and the Notes to the Consolidated Financial Statements (including the Summary of significant accounting policies) for the period from January 1 to December 31, 2022 have been completely audited by the Certified Public Accountant.

In our opinion and the review report of other accountants, the Consolidated Financial Statements were prepared in all material aspects in accordance with the Standards for the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards and the International Accounting Standards, Interpretation and Standing Interpretations, approved and ratified by the Financial Supervisory Commission, which are sufficient to present the consolidated financial position of the Billion Group as at 31 December 2022 and the consolidated financial results and consolidated cash flows for the periods from 1 January to 31 December 2022.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under the aforementioned standards are further described in the Auditors' Responsibilities Section of this Audited Consolidated Financial Statements and Reports. The personnel from our Certified Public Accountant Firm who are subject to the independence norms have maintained their superior independence from the Billion Group in accordance with the ethical norms of the profession of Certified Public Accountant and have fulfilled the other responsibilities under the norms. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matters

The 2021 consolidated financial report of the Billion Group was audited by other accountants, and an unqualified opinion and report of other matters were issued on March 28, 2022.

Financial statements of certain subsidiaries that are included in the Billion Group's 2022 consolidated financial statements are not audited by us, but by other accountants. Therefore, our opinions on this consolidated financial statements that is related to the financial statements of the said subsidiaries are based on audit report issued by other accountants. The total assets of the said subsidiaries amounted to NT\$83,286 thousand as of December 31, 2022, accounting for 2.52% of the total consolidated assets; the total net revenue amounted to NT\$8,510 thousand as of December 31, 2022, accounting for 0.70% of the total consolidated net revenue.

An unqualified audit report and report for other matters have been issued by us and other accountants on the parent company only financial statements for the years 2022 and 2021 prepared by Billion Electric Co., Ltd., and is on file for reference.

Key Audit Matters

The key audit matters refers to the most important matters regarding the audit of the Consolidated Financial Statements of the Billion Group for the year of 2022 according to our professional judgment. These matters have been addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our audit opinion. As such, we do not express a separate opinion on these matters. The key audit matters of the Consolidated Financial Statements of Billion Group for the year of 2022 are as follows:

Authenticity of recognition of sales revenue from top ten new customer

For the accounting policies regarding the recognition of sales revenue, please refer to Note 4 (16) -- Income Recognition of the Consolidated Financial Statements; for disclosure of relevant information about sales revenue, please refer to Note 6 (26) -- Revenue from Contracts with Customers of the Consolidated Financial Statements.

Explanation of Key Audit Matters:

The principle source of income of Billion Group is income from sales of products. A portion of the income is derived from primary customers added in the current year, which has a significant impact on the overall financial statement and its main risk is whether the income actually occurs. Thus, we prioritize sales revenue in the audit of the financial statements.

How the matter was addressed in our audit:

1. Understand the aforementioned internal control of sales revenue for sales customers and evaluate and test the effectiveness of its design and execution.
2. Obtain the aforementioned list of sales customers and assess whether the relevant background, transaction amount and credit limit are reasonable for the size of the company.
3. Take a copy of sales invoice of the above sales customer as reference and select an appropriate sample, verify the external shipping documents, investigate the recipient, receivable condition and transaction condition, whether there are no significant abnormalities, to ensure the authenticity of the sales revenue.
4. The details of the income after the accounting period shall be checked for significant depreciation to confirm whether there are any significant abnormalities in revenue recognition.

Responsibility of the Management and the Governing Body for the Consolidated Financial Statements

The responsibility of Management is to prepare the Consolidated Financial Statements in accordance with the Financial Reporting Standards for Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Standing Interpretations, as approved and ratified by the Financial Supervisory Commission, and to maintain necessary internal control in connection with the preparation of the Consolidated Financial Statements, to ensure that the Consolidated Financial Statements are free from material misrepresentation due to fraud or error.

During the preparation of the Consolidated Financial Statements, the Management has the responsibilities to assess the ability of Billion Group to continue operation, disclosing relevant matters and adopting a going concern basis of accounting, unless the Management intends to liquidate Billion Group or cease operations, or there is no practicable alternative save for liquidation or cease operation.

The governance bodies (including the Audit Committee) of the Billion Group are responsible in overseeing the process of the financial reporting.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

The purpose of our audit on the Consolidated Financial Statements is to obtain a reasonable assurance as to whether the Consolidated Financial Statements as a whole contain material misstatement resulted from fraud or error, and to provide an audit report. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted accounting standards (GAAP) will always detect a material misstatement when it exists. Misstatements could be resulted from fraud or error. The misstated amounts are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users of this Consolidated Financial Statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We have also executed the following tasks:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risks; obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain the necessary understanding of the internal controls relevant to the audit to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Billion Group.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. On the basis of the verified evidence obtained, it is concluded whether there is significant uncertainty as to the appropriateness of adopting a continuing operating accounting basis for management and the events or circumstances that may cause material doubt as to the ability of Billion Group to continue operating. If we reckon that material uncertainties exist in the events or conditions, we are obliged to include in our audit report, a reminder that draws the attention of users of the Consolidated Financial Statements to relevant disclosures contained therein, or to modify our audit opinion when such disclosures are considered inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause Billion Group to no longer be able to continue operating.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements (including relevant notes), and its fair representation of the underlying transactions and events.
6. Obtain sufficient and appropriate verification evidence of the financial information of the group's constituent entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on the Billion Group.

We communicate with the governing body 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 identified during our audit).

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

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

KPMG

CPAs:

Competent authority approval number	:	Taiwan Financial Certificate (6) No. 0930106739 Jin-Guan-Zheng-Shen-Zi No. 1040003949
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March 14, 2023

Billion Electric Co. Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: Thousands NTD

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:											
1100	Cash and cash equivalents (Note 6(1))	\$ 578,738	18	618,117	24	2100	Short-term borrowings (Note 6(17))	\$ 262,619	8	327,360	13
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	32,391	1	102,330	4	2130	Contract liabilities - current (Note 6(26))	538,209	16	169,133	7
1136	Financial assets at amortized cost - current (Note 6(4))	79,559	2	18,006	1	2110	Short-term promissory notes payable (Note 6(16))	6,176	-	-	-
1140	Contract assets - current (Note 6(26))	7,576	-	-	-	2150	Notes payable	1,166	-	72	-
1151	Notes receivable (Notes 6(5) and (26))	7,601	-	4,239	-	2170	Accounts payable (Note 7)	89,755	3	207,570	8
1170	Net accounts receivable (Notes 6(5) and (26))	137,234	4	154,162	6	2200	Other payables (Note 6(21))	88,097	3	81,218	3
1200	Other receivables (Note 6(6))	13,618	-	11,347	-	2230	Income tax liabilities for the current period (Note 6(22))	17,036	1	24,493	1
1220	Income tax assets for the current period (Note 6(22))	160	-	379	-	2250	Provision for liabilities - current (Note 6(20))	9,585	-	9,426	1
130X	Inventories (Note 6(7))	326,343	10	401,471	16	2280	Lease liabilities - current (Note 6(19))	18,186	1	6,955	-
1470	Other current assets (Note 6(15))	57,332	2	33,801	1	2320	Long-term borrowings due within one year (Note 6(18))	30,152	1	8,841	-
1482	Contract performance costs - current (Note 6(26))	382,897	12	16,818	1	2300	Other current liabilities	10,917	-	4,614	-
	Total current assets	1,623,449	49	1,360,670	53		Total current liabilities	1,071,898	33	839,682	33
Non-current assets											
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3))	3,797	-	3,797	-	2540	Long-term borrowings (Note 6(18))	86,175	2	78,356	3
1535	Financial assets at amortized cost - non-current (Note 6(4))	439,902	13	463,265	18	2570	Deferred income tax liabilities (Note 6(22))	30,532	1	28,246	1
1550	Investments using the equity method (Note 6(8))	27,040	1	-	-	2580	Lease liabilities - non-current (Note 6(19))	376,607	11	59,943	2
1600	Property, plant and equipment (Note 6(12))	706,814	22	578,560	22	2640	Net defined benefit liabilities - non-current (Note 6(21))	16,640	1	21,821	1
1755	Right-of-use assets (Note 6(13))	392,999	12	67,059	3	2645	Guarantee deposits received	707	-	734	-
1760	Investment property (Note 6(14))	60,680	2	61,009	2		Total non-current liabilities	510,661	15	189,100	7
1780	Intangible assets	6,177	-	636	-		Total liabilities	1,582,559	48	1,028,782	40
1840	Deferred income tax assets (Note 6(22))	14,932	-	16,292	1	3110	Equity (Note 6(23)):				
1900	Other non-current assets (Note 6(15))	30,651	1	35,733	1	3140	Ordinary shares capital	996,973	30	988,563	38
	Total non-current assets	1,682,992	51	1,226,351	47	3140	Advance receipts for ordinary shares	1,205	-	-	-
						3200	Capital surplus	998,178	30	988,563	38
							Retained earnings:	308,439	9	301,289	12
						3310	Legal surplus reserve	215,979	7	213,373	8
						3320	Special surplus reserves	75,152	2	55,830	2
						3350	Unappropriated earnings	47,216	1	26,057	1
								338,347	10	295,260	11
						3410	Other equity:				
							Exchange differences on translating the financial statements of foreign operations	(6,080)	-	(24,358)	(1)
						3420	unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(41,492)	(1)	(41,492)	(1)
						3500	Treasury shares	(25,913)	(1)	(23,017)	(1)
							Total equity attributable to owners of the Company	1,571,479	47	1,496,245	58
						36XX	Non-controlling interest	152,403	5	61,994	2
							Total equity	1,723,882	52	1,558,239	60
							Total liabilities and equity	\$ 3,306,441	100	2,587,021	100
	Total assets	\$ 3,306,441	100	2,587,021	100						

(Please refer to the notes attached to this financial statement.)

Chairman: Zhong-Ting Chen

Manager: Hong-Zheng Chen

Accounting Supervisor: Ying-Hui Su

Billion Electric Co. Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: Thousands NTD

		2022		2021	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating income (Notes 6(26) and 7)	\$ 1,211,418	100	1,048,947	100
5000	Operating cost (Notes 6(7), (12), (13), (21) and 7)	914,214	75	726,881	70
	Operating gross profit	<u>297,204</u>	<u>25</u>	<u>322,066</u>	<u>30</u>
	Operating expenses (Notes 6(12), (13), (19), (21), (24) and (27))				
6100	Sales expenses	78,754	7	80,922	8
6200	Administrative expenses	141,463	12	147,155	14
6300	Research and development expenses	86,540	7	92,872	9
6450	Expected credit impairment loss (reversal gain)	1,425	-	(4,336)	(1)
	Total operating expenses	<u>308,182</u>	<u>26</u>	<u>316,613</u>	<u>30</u>
	Net amount of other income and expenses (Note 6(28))				
6500	Net amount of other income and expenses	16,739	1	132	-
	Net operating profit	<u>5,761</u>	<u>-</u>	<u>5,585</u>	<u>-</u>
	Non-operating income and expenses (Notes 6(14) and (29))				
7100	Interest income	7,416	1	5,948	1
7010	Other income	14,994	1	24,182	2
7020	Other gains and losses	48,451	4	46,727	5
7050	Financial costs	(9,961)	(1)	(6,977)	(1)
7060	Share of profit or loss of subsidiaries and associates recognized under equity method	8	-	(507)	-
	Total non-operating income and expenses	<u>60,908</u>	<u>5</u>	<u>69,373</u>	<u>7</u>
7900	Net profit before tax	66,669	5	74,958	7
7951	Less: Income tax expense (Note 6(22))	15,803	1	39,434	4
8200	Net profit for the year	<u>50,866</u>	<u>4</u>	<u>35,524</u>	<u>3</u>
8300	Other comprehensive income (Note 6(22) and (23)):				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plan	3,978	-	1,613	-
8349	Less: Income tax related to non-reclassified items	796	-	323	-
	Total of items that will not be reclassified to profit or loss	<u>3,182</u>	<u>-</u>	<u>1,290</u>	<u>-</u>
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	24,895	2	41,339	4
8370	Share of other comprehensive income of associates recognized under equity method	-	-	1,112	-
8399	Less: Income tax related to items that may be reclassified to profit or loss	4,570	-	8,115	-
	Total of items that may be subsequently reclassified to profit or loss	<u>20,325</u>	<u>2</u>	<u>34,336</u>	<u>4</u>
8300	Other comprehensive income for the year	<u>23,507</u>	<u>2</u>	<u>35,626</u>	<u>4</u>
8500	Total comprehensive income for the year	<u>\$ 74,373</u>	<u>6</u>	<u>71,150</u>	<u>7</u>
	Net profit attributable to:				
	Owners of the parent company	\$ 39,905	3	27,004	2
	Non-controlling interest	10,961	1	8,520	1
		<u>\$ 50,866</u>	<u>4</u>	<u>35,524</u>	<u>3</u>
	Total comprehensive income attributable to:				
	Owners of the parent company	\$ 61,365	5	62,899	6
	Non-controlling interest	13,008	1	8,251	1
		<u>\$ 74,373</u>	<u>6</u>	<u>71,150</u>	<u>7</u>
	Earnings per share (NTD) (Note 6(25))				
9750	Basic earnings per share	<u>\$ 0.41</u>		<u>0.28</u>	
9850	Diluted earnings per share	<u>\$ 0.40</u>		<u>0.27</u>	

(Please refer to the notes attached to this financial statement.)

Chairman: Zhong-Ting Chen

Manager: Hong-Zheng Chen

Accounting Supervisor: Ying-Hui Su

Billion Electric Co. Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: Thousands NTD

Equity attributable to owners of the parent company

	Share capital						Retained earnings						Other equity items			Total equity attributable to owners of the Company	Non-controlling interest	Total equity
	Ordinary shares capital	Advance receipts for ordinary shares	Capital surplus	Legal surplus reserve	Special surplus reserves	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Treasury shares								
Balance as at January 1, 2021	\$ 988,563	-	295,873	212,882	51,407	4,915	269,204	(58,963)	(41,492)	(2,145)	1,451,040	31,980	1,483,020					
Net profit for the year	-	-	-	-	-	27,004	27,004	-	-	-	27,004	8,520	35,524					
Other comprehensive income for the year	-	-	-	-	-	1,290	1,290	34,605	-	-	35,895	(269)	35,626					
Total comprehensive income for the year	-	-	-	-	-	28,294	28,294	34,605	-	-	62,899	8,251	71,150					
Earnings appropriation and distribution:																		
Provision of legal reserve	-	-	-	491	-	(491)	-	-	-	-	-	-	-					
Provision of special surplus reserve	-	-	-	-	4,423	(4,423)	-	-	-	-	-	-	-					
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	(39,169)	(39,169)	-	(39,169)					
Changes in ownership interests in subsidiaries	-	-	-	-	-	(2,238)	(2,238)	-	-	-	(2,238)	21,948	19,710					
Share-based payment	-	-	5,416	-	-	-	-	-	-	18,297	23,713	1,727	25,440					
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,912)	(1,912)					
Balance as at December 31, 2021	988,563	-	301,289	213,373	55,830	26,057	295,260	(24,358)	(41,492)	(23,017)	1,496,245	61,994	1,558,239					
Net profit for the year	-	-	-	-	-	39,905	39,905	-	-	-	39,905	10,961	50,866					
Other comprehensive income for the year	-	-	-	-	-	3,182	3,182	18,278	-	-	21,460	2,047	23,507					
Total comprehensive income for the year	-	-	-	-	-	43,087	43,087	18,278	-	-	61,365	13,008	74,373					
Earnings appropriation and distribution:																		
Provision of legal reserve	-	-	-	2,606	-	(2,606)	-	-	-	-	-	-	-					
Provision of special surplus reserve	-	-	-	-	19,322	(19,322)	-	-	-	-	-	-	-					
Share of changes in associates and joint ventures recognized under equity method	-	-	32	-	-	-	-	-	-	-	32	-	32					
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	(3,181)	(3,181)	-	(3,181)					
Difference between actual acquisition or disposal of equity interest in a subsidiary and its carrying value	-	-	47	-	-	-	-	-	-	-	47	213	260					
Changes in ownership interests in subsidiaries	-	-	2,223	-	-	-	-	-	-	-	2,223	48,725	50,948					
Share-based payment	8,410	1,205	4,848	-	-	-	-	-	-	285	14,748	1,401	16,149					
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	27,062	27,062					
Balance as at December 31, 2022	\$ 996,973	1,205	308,439	215,979	75,152	47,216	338,347	(6,080)	(41,492)	(25,913)	1,571,479	152,403	1,723,882					

(Please refer to the notes attached to this financial statement.)

Chairman: Zhong-Ting Chen

Manager: Hong-Zheng Chen

Accounting Supervisor: Ying-Hui Su

Billion Electric Co. Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: Thousands NTD

	2022	2021
Cash flows from operating activities:		
Net profit before tax for the year	\$ 66,669	74,958
Adjustments:		
Adjustments to reconcile profit and loss		
Depreciation expenses	40,261	31,378
Amortization expenses	1,132	959
Expected credit impairment loss (reversal gain)	1,425	(4,336)
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	20,172	(2,632)
Interest expenses	9,961	6,977
Interest income	(7,416)	(5,948)
Dividend income	(2,375)	(2,319)
Remuneration cost for share-based payment	(12,673)	16,529
Property, plant, and equipment transferred to expenses	75	-
Share of (profit) loss of subsidiaries and associates recognized under equity method	(8)	507
Gains from disposal of property, plant and equipment	(16,895)	(132)
Net profit from disposal of investment	(22,166)	(63,404)
Loss from modification of lease contracts	156	-
unrealized gain on foreign currency exchange	(6,327)	(2,246)
Total adjustments to reconcile profit and loss	5,322	(24,667)
Net changes related to operating assets/liabilities:		
Financial assets at fair value through profit or loss	51,196	(25,783)
Contract assets	(7,576)	-
Notes receivable	(3,362)	19,912
Accounts receivable	23,731	(59,595)
Other receivables	(5,971)	(91)
Inventories	103,209	(135,976)
Other current assets	(19,751)	(23,892)
Contract performance costs	(366,079)	(14,602)
Contract liabilities - current	360,196	142,239
Notes payable	1,094	(52)
Accounts payables	(121,182)	116,529
Accounts payables - related parties	-	(11,732)
Other payables	8,317	3,179
Other current liabilities	6,272	(9,842)
Net defined benefit liabilities	(1,203)	33
Adjustments:	34,213	(24,340)

(Please refer to the notes attached to this financial statement.)

Chairman:
Zhong-Ting Chen

Manager:
Hong-Zheng Chen

Accounting Supervisor:
Ying-Hui Su

	<u>2022</u>	<u>2021</u>
Cash inflow from operating activities	\$ 100,882	50,618
Interests received	5,556	6,405
Interests paid	(10,054)	(7,014)
Income tax paid	<u>(27,562)</u>	<u>(31,485)</u>
Net cash inflow from operating activities	<u>68,822</u>	<u>18,524</u>
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(38,190)	(25,035)
Acquisition of investments using the equity method	(27,000)	-
Disposal of subsidiaries	23,297	84,524
Acquisition of properties, plants and equipments	(181,125)	(39,249)
Disposal of properties, plants and equipments	83,582	655
Increase in other receivables	-	(7,199)
Decrease in other receivables	5,575	8,000
Acquisition of intangible assets	(5,496)	(148)
Cash inflow from merger	24,964	-
Increase in other non-current assets	(18,277)	(14,582)
Dividends received	<u>2,375</u>	<u>2,319</u>
Net cash (outflow) inflow from investment activities	<u>(130,295)</u>	<u>9,285</u>
Cash flows from financing activities:		
Increase in short-term borrowings	-	13,360
Decrease in short-term loans	(64,741)	-
Increase in short-term promissory notes payable	6,200	-
Proceeds from long-term borrowings	92,885	1,000
Repayment of long-term borrowings	(71,988)	(36,632)
Decrease in guarantee deposits received	(27)	(112)
Employee stock options exercised	12,115	-
cost of repurchase treasury shares	(3,181)	(39,169)
treasury shares acquired by employees	285	18,297
Disposal of of equity of subsidiaries (no loss of control over the subsidiaries)	260	-
Repayment of the lease principal amount	(9,355)	(8,401)
Changes in non-controlling interests	<u>51,089</u>	<u>17,798</u>
Net cash inflow (outflow) from financing activities	<u>13,542</u>	<u>(33,859)</u>
Effect of exchange rate changes on cash and cash equivalents	8,552	(1,103)
Decrease in cash and cash equivalents for the period	(39,379)	(7,153)
Cash and cash equivalents at the beginning of the year	<u>618,117</u>	<u>625,270</u>
Cash and cash equivalents at the end of the year	<u>\$ 578,738</u>	<u>618,117</u>

(Please refer to the notes attached to this financial statement.)

Chairman:
Zhong-Ting Chen

Manager:
Hong-Zheng Chen

Accounting Supervisor:
Ying-Hui Su

CPA's Audit Report

To: Board of Directors of Billion Electric Co., Ltd. For general public information:

Audit opinions

We have audited the accompanying parent company only balance sheets of Billion Electric Co., Ltd. as at December 31, 2021 and 2021, as well as the parent company only comprehensive income statements, parent company only statement of changes in equity, parent company only statement of cash flows, and notes to parent company only financial statements (including the summary of significant accounting policies) of for the periods from January 1 to December 31, 2022 and 2021.

In our opinion and the review report of other accountants, the parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material respects, and are sufficient to express the financial position of Billion Electric Co., Ltd. as at December 31, 2022 and 2021, as well as the parent company's financial performance and cash flow for the periods from January 1 to December 31, 2022 and 2021.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards . Our responsibilities under those standards are further described in the Accountant's Responsibilities for the Audit of the Parent Company Only Financial Statements section of this report. We are independent of Billion Electric Co., Ltd. in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matters

The 2021 parent company only financial statements of Billion Electric Co., Ltd. was audited by other accountants, and an unqualified opinion was issued on March 28, 2022.

Financial statements of certain subsidiaries accounted for using under equity method that are included in the 2022 parent company only financial statements are not audited by us, but by other accountants. Therefore, our opinions on this parent company only financial statements that is related to the financial statements of the said subsidiaries are based on audit report issued by other accountants. The investment accounted for using equity method amounted to NT\$53,097 thousand as of December 31, 2022, accounting for 2.55% of total assets; the share of income of subsidiaries and associates recognized under the equity method amounted to NT\$40 thousand as of December 31, 2022, accounting for 0.09% of the net profit before tax.

Key Audit Matters

The key audit matters refers to the most important matters regarding the audit of the parent company only financial statements of Billion Electric Co., Ltd. for the year of 2022 according to our professional judgment. These matters have been addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our audit opinion. As such, we do not express a separate opinion on these matters. The key audit matters of the Consolidated Financial Statements of Billion Group for the year of 2022 are as follows:

Income from sales and income from sales of subsidiaries accounted for using the equity method

For the accounting policies regarding the recognition of sales revenue, please refer to Note 4 (16) -- Income Recognition of the parent company only financial statements; for disclosure of relevant information about sales revenue, please refer to Note 6 (25) -- Revenue from Contracts with Customers of the parent company only financial statements.

Explanation of Key Audit Matters:

The principle source of income of Billion Electric Co., Ltd. and its subsidiaries accounted for using the equity method is income from sales of products. A portion of the income is derived from primary customers added in the current year, which has a significant impact on the overall financial statement and its main risk is whether the income actually occurs. Thus, we prioritize sales revenue in the audit of the financial statements.

How the matter was addressed in our audit:

1. Understand the aforementioned internal control of sales revenue for sales customers and evaluate and test the effectiveness of its design and execution.
2. Obtain the aforementioned list of sales customers and assess whether the relevant background, transaction amount and credit limit are reasonable for the size of the company.
3. Take a copy of sales invoice of the above sales customer as reference and select an appropriate sample, verify the external shipping documents, investigate the recipient, receivable condition and transaction condition, whether there are no significant abnormalities, to ensure the authenticity of the sales revenue.
4. The details of the income after the accounting period shall be checked for significant depreciation to confirm whether there are any significant abnormalities in revenue recognition.

Responsibilities of management and governing body for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the accounting reports in accordance with “Regulations of Financial Treatment of Industrial and Commercial Groups” promulgated by Ministry of the Interior and Enterprise Accounting Standards and its interpretations, and for maintenance of necessary internal control in the preparation of the Parent Company Only Financial Statements, so as to ensure that the Parent Company Only Financial Statements are free from material misstatements, whether due to fraud or error.

In preparing the accounting reports, management is responsible for assessing Billion Electric Co., Ltd.'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 Billion Electric Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) of Billion Electric Co., Ltd. are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

The purpose of our audit on the Parent Company Only Financial Statements is to obtain reasonable assurance as to whether the Parent Company Only Financial Statements as a whole contain material misstatement due to fraud or error, and to provide an audit report. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with the Generally Accepted Auditing Standards (GAAS) will always detect a material misstatement when it exists. Misstatements could be resulted from fraud or error. The misstated amounts are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Parent Company Only Financial Statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We have also executed the following tasks:

1. Identified and evaluated the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; designed and carried out appropriate countermeasures for the evaluated risks; obtained sufficient and appropriate evidence to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain the necessary understanding of the internal controls involved in the audit to design an appropriate audit procedure under the circumstances, except that the purpose is not to express an opinion on the effectiveness of the internal controls of Billion Electric Co., Ltd.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. On the basis of the verification evidence obtained, it is concluded whether there is significant uncertainty about the appropriateness of the continuing operations accounting basis adopted by the management and the events or circumstances that may cause significant doubt about the ability of Billion Electric Co., Ltd. to continue its operations. If we reckon that material uncertainties exist in the events or conditions, we are obliged to include in our audit report a reminder that draws the attention of users of the Parent Company Only Financial Statements to relevant disclosures contained therein, or to modify our audit opinion when such disclosures are considered inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause Billion Electric Co., Ltd. to no longer be able to continue operating.
5. Evaluated the overall presentation, structure and content of the Parent Company Only Financial Statements (including relevant notes), and whether it adequately represents the underlying transactions and events.
6. Obtain sufficient and appropriate verification evidence of the financial information of subsidiaries accounted for using the equity method to express an opinion on the parent company only financial statements.. We are responsible for directing, overseeing, and executing the audit of and forming the audit opinion on Billion Electric Co., Ltd.

We communicate with the governing body 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 identified during our audit).

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

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

KPMG

CPAs:

Competent authority approval number	:	Taiwan Financial Certificate (6) No. 0930106739 Jin-Guan-Zheng-Shen-Zi No. 1040003949
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March 14, 2023

Billion Electric Co., Ltd.
Balance Sheets
December 31, 2022 and 2021

Unit: Thousands NTD

Assets		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:											
1100	Cash and cash equivalents (Note 6(1))	\$ 149,111	7	296,296	14	2100	Short-term borrowings (Note 6(16))	\$ 217,000	10	299,000	14
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	25,645	1	85,002	4	2130	Contract liabilities - current (Note 6(25))	23,613	1	28,340	1
1136	Financial assets at amortized cost - current (Note 6(4))	61,460	3	3,700	-	2170	Accounts payables	32,336	2	86,029	4
1151	Notes receivable (Notes 6(5) and (25))	955	-	46	-	2200	Other payables	35,975	2	38,173	2
1170	Net accounts receivable (Notes 6(5) and (25))	31,418	2	27,441	1	2220	Other payables - related parties (Note 7)	1,238	-	-	-
1180	Net accounts receivable - related parties (Notes 6(5) and (25) and 7)	17,804	1	114,389	5	2230	Income tax liabilities for the current period (Note 6(21))	2,554	-	9,414	1
1200	Other receivables (Note 6(6))	12,008	-	10,837	1	2250	Provision for liabilities - current (Note 6(19))	9,585	1	9,426	1
1210	Other receivables - related parties (Notes 6(6) and 7)	20,132	1	42	-	2280	Lease liabilities - current (Note 6(18))	5,783	-	5,443	-
1220	Income tax assets in the current period	160	-	379	-	2320	Long-term borrowings due within one year (Note 6(17))	23,483	1	4,657	-
1300	Net inventories (Note 6(7))	139,807	7	164,773	8	2300	Other current liabilities	10,671	1	4,425	-
1470	Other current assets (Note 6(15))	24,335	1	23,835	1		Total current liabilities	<u>362,238</u>	<u>18</u>	<u>484,907</u>	<u>23</u>
1482	Contract performance costs - current (Note 6(25))	55,704	3	-	-		Non-current liabilities:				
	Total current assets	<u>538,539</u>	<u>26</u>	<u>726,740</u>	<u>34</u>	2540	Long-term borrowings (Note 6(17))	56,641	3	55,187	3
	Non-current assets					2570	Deferred income tax liabilities (Note 6(21))	29,777	1	28,246	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3))	3,797	-	3,797	-	2580	Lease liabilities - non-current (Note 6(18))	44,929	2	52,225	2
1535	Financial assets at amortized cost - non-current (Note 6(4))	437,152	21	393,710	19	2640	Net defined benefit liabilities - non-current (Note 6(20))	16,640	1	21,821	1
1550	Investments using the equity method (Note 6(8), (9), (10) and (11))	581,285	28	457,804	21	2645	Guarantee deposits received	483	-	533	-
1600	Property, plant and equipment (Note 6(12))	371,866	18	393,600	18		Total non-current liabilities	<u>148,470</u>	<u>7</u>	<u>158,012</u>	<u>7</u>
1755	Right-of-use assets (Note 6(13))	50,515	2	57,957	3		Total liabilities	<u>510,708</u>	<u>25</u>	<u>642,919</u>	<u>30</u>
1760	Investment property (Note 6(14))	60,680	3	61,009	3	3110	Equity (Note 6(22)):				
1780	Intangible assets	535	-	455	-	3140	Ordinary shares capital	996,973	48	988,563	46
1840	Deferred income tax assets (Note 6(21))	14,690	1	16,199	1	3200	Advance receipts for ordinary shares	1,205	-	-	-
1900	Other non-current assets (Note 6(15))	23,128	1	27,893	1	3200	Capital surplus	308,439	15	301,289	14
	Total non-current assets	<u>1,543,648</u>	<u>74</u>	<u>1,412,424</u>	<u>66</u>	3310	Retained earnings:				
	Total assets	<u>\$ 2,082,187</u>	<u>100</u>	<u>2,139,164</u>	<u>100</u>	3320	Legal surplus reserve	215,979	10	213,373	10
						3350	Special surplus reserves	75,152	3	55,830	3
							Unappropriated earnings	47,216	2	26,057	1
								<u>338,347</u>	<u>15</u>	<u>295,260</u>	<u>14</u>
							Other equity:				
						3410	Exchange differences on translating the financial statements of foreign operations	(6,080)	-	(24,358)	(1)
						3420	unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(41,492)	(2)	(41,492)	(2)
							Treasury shares	(25,913)	(1)	(23,017)	(1)
							Total equity	<u>1,571,479</u>	<u>75</u>	<u>1,496,245</u>	<u>70</u>
							Total liabilities and equity	<u>\$ 2,082,187</u>	<u>100</u>	<u>2,139,164</u>	<u>100</u>

(Please refer to the notes attached to this financial statement.)

Chairman: Zhong-Ting Chen

Manager: Hong-Zheng Chen

Accounting Supervisor: Ying-Hui Su

Billion Electric Co., Ltd.
Comprehensive Income Statements
January 1 to December 31, 2022 and 2021

Unit: Thousands NTD

		2022		2021	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating income (Notes 6(25) and 7)	\$ 480,746	100	578,699	100
5000	Operating cost (Notes 6(7), (12), (13), (20) and 7)	<u>388,801</u>	<u>81</u>	<u>461,819</u>	<u>80</u>
	Operating gross profit	<u>91,945</u>	<u>19</u>	<u>116,880</u>	<u>20</u>
5910	Less: unrealized gain on sale of goods	23,229	5	18,954	3
5920	Add: Realized sales profit	<u>19,094</u>	<u>4</u>	<u>17,586</u>	<u>3</u>
	Realized operating gross profit	<u>87,810</u>	<u>18</u>	<u>115,512</u>	<u>20</u>
	Operating expenses (Notes 6(12), (13), (18), (20), (20), (23) and (26)):				
6100	Sales expenses	39,979	8	57,143	10
6200	Administrative expenses	45,353	10	40,456	7
6300	Research and development expenses	76,814	16	86,068	15
6450	Reversal gain on expected credit impairment	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(1)</u>
	Total operating expenses	<u>162,146</u>	<u>34</u>	<u>178,667</u>	<u>31</u>
	Net amount of other income and expenses (Note 6(27))				
6500	Net amount of other income and expenses	<u>16,739</u>	<u>4</u>	<u>105</u>	<u>-</u>
	Net operating loss	<u>(57,597)</u>	<u>(12)</u>	<u>(63,050)</u>	<u>(11)</u>
	Non-operating income and expenses (Notes 6(14), (28) and 7)				
7100	Interest income	5,886	1	3,709	1
7010	Other income	18,108	4	19,418	3
7020	Other gains and losses	70,471	15	56,210	10
7050	Financial costs	(7,250)	(2)	(5,917)	(1)
7060	Share of profit or loss of subsidiaries and associates recognized under equity method	<u>14,795</u>	<u>3</u>	<u>35,094</u>	<u>6</u>
	Total non-operating income and expenses	<u>102,010</u>	<u>21</u>	<u>108,514</u>	<u>19</u>
7900	Net profit before tax	44,413	9	45,464	8
7951	Less: Income tax expense (Note 6(21))	<u>4,508</u>	<u>1</u>	<u>18,460</u>	<u>3</u>
8200	Net profit for the year	<u>39,905</u>	<u>8</u>	<u>27,004</u>	<u>5</u>
8300	Other comprehensive income (Note 6(21) and (22)):				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plan	3,978	1	1,613	-
8349	Less: Income tax related to non-reclassified items	<u>796</u>	<u>-</u>	<u>323</u>	<u>-</u>
	Total of items that will not be reclassified to profit or loss	<u>3,182</u>	<u>1</u>	<u>1,290</u>	<u>-</u>
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	22,848	5	42,720	7
8399	Less: Income tax related to items that may be reclassified to profit or loss	<u>4,570</u>	<u>1</u>	<u>8,115</u>	<u>1</u>
	Total of items that may be subsequently reclassified to profit or loss	<u>18,278</u>	<u>4</u>	<u>34,605</u>	<u>6</u>
8300	Other comprehensive income for the year	<u>21,460</u>	<u>5</u>	<u>35,895</u>	<u>6</u>
8500	Total comprehensive income for the year	<u>\$ 61,365</u>	<u>13</u>	<u>62,899</u>	<u>11</u>
	Earnings per share (NTD) (Note 6(24))				
9750	Basic earnings per share	<u>\$ 0.41</u>		<u>0.28</u>	
9850	Diluted earnings per share	<u>\$ 0.40</u>		<u>0.27</u>	

(Please refer to the notes attached to this financial statement.)

Chairman: Zhong-Ting Chen

Manager: Hong-Zheng Chen

Accounting Supervisor: Ying-Hui Su

Billion Electric Co., Ltd.
Statements of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: Thousands NTD

	Retained earnings						Other equity items		Total	Treasury shares	Total equity	
	Ordinary shares capital	Advance receipts for ordinary shares	Capital surplus	Legal surplus reserve	Special surplus reserves	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income				
Balance as at January 1, 2021	\$ 988,563	-	295,873	212,882	51,407	4,915	269,204	(58,963)	(41,492)	(100,455)	(2,145)	1,451,040
Net profit for the year	-	-	-	-	-	27,004	27,004	-	-	-	-	27,004
Other comprehensive income for the year	-	-	-	-	-	1,290	1,290	34,605	-	34,605	-	35,895
Total comprehensive income for the year	-	-	-	-	-	28,294	28,294	34,605	-	34,605	-	62,899
Earnings appropriation and distribution:												
Provision of legal reserve	-	-	-	491	-	(491)	-	-	-	-	-	-
Provision of special surplus reserve	-	-	-	-	4,423	(4,423)	-	-	-	-	-	-
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(39,169)	(39,169)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(2,238)	(2,238)	-	-	-	-	(2,238)
Share-based payment	-	-	5,416	-	-	-	-	-	-	-	18,297	23,713
Balance as at December 31, 2021	<u>988,563</u>	<u>-</u>	<u>301,289</u>	<u>213,373</u>	<u>55,830</u>	<u>26,057</u>	<u>295,260</u>	<u>(24,358)</u>	<u>(41,492)</u>	<u>(65,850)</u>	<u>(23,017)</u>	<u>1,496,245</u>
Net profit for the year	-	-	-	-	-	39,905	39,905	-	-	-	-	39,905
Other comprehensive income for the year	-	-	-	-	-	3,182	3,182	18,278	-	18,278	-	21,460
Total comprehensive income for the year	-	-	-	-	-	43,087	43,087	18,278	-	18,278	-	61,365
Earnings appropriation and distribution:												
Provision of legal reserve	-	-	-	2,606	-	(2,606)	-	-	-	-	-	-
Provision of special surplus reserve	-	-	-	-	19,322	(19,322)	-	-	-	-	-	-
Share of changes in associates and joint ventures recognized under equity method	-	-	32	-	-	-	-	-	-	-	-	32
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(3,181)	(3,181)
Difference between actual acquisition or disposal of equity interest in a subsidiary and its carrying value	-	-	47	-	-	-	-	-	-	-	-	47
Changes in ownership interests in subsidiaries	-	-	2,223	-	-	-	-	-	-	-	-	2,223
Share-based payment	8,410	1,205	4,848	-	-	-	-	-	-	-	285	14,748
Balance as at December 31, 2022	<u>\$ 996,973</u>	<u>1,205</u>	<u>308,439</u>	<u>215,979</u>	<u>75,152</u>	<u>47,216</u>	<u>338,347</u>	<u>(6,080)</u>	<u>(41,492)</u>	<u>(47,572)</u>	<u>(25,913)</u>	<u>1,571,479</u>

(Please refer to the notes attached to this financial statement.)

Chairman: Zhong-Ting Chen

Manager: Hong-Zheng Chen

Accounting Supervisor: Ying-Hui Su

Billion Electric Co., Ltd.

Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: Thousands NTD

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net profit before tax for the year	\$ 44,413	45,464
Adjustments:		
Adjustments to reconcile profit and loss		
Depreciation expenses	21,529	20,079
amortization expense	507	655
Reversal gain on expected credit impairment	-	(5,000)
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	16,393	(842)
Interest expenses	7,250	5,917
Interest income	(5,886)	(3,709)
Dividend income	(2,287)	(2,273)
Remuneration cost for share-based payment	1,911	5,358
Share of profit of subsidiaries and associates recognized under equity method	(14,795)	(35,094)
Gains from disposal of property, plant and equipment	(16,895)	(105)
Disposal of investment income using the equity method	(22,166)	(63,404)
Loss from modification of lease contracts	156	-
unrealized gain on sale of goods	23,229	18,954
Realized sales profit	(18,597)	(17,586)
unrealized gain on foreign currency exchange	(6,787)	(4,354)
Total adjustments to reconcile profit and loss	<u>(16,438)</u>	<u>(81,404)</u>
Net changes related to operating assets/liabilities:		
Financial assets at fair value through profit or loss	42,964	(18,123)
Notes receivable	(909)	(24)
Accounts receivable	(4,573)	22,744
Accounts receivable - related parties	97,045	(14,953)
Other receivables	(5,414)	(2,541)
Other receivables from related parties	(62)	15,678
Inventories	24,966	(17,036)
Other current assets	(500)	(16,498)
Contract performance costs	(55,704)	-
Contract liabilities - current	(4,727)	19,605
Accounts payables	(53,869)	29,223
Accounts payables - related parties	-	(13,075)
Other payables	(4,542)	(1,922)
Other payables to related parties	1,238	-
Other current liabilities	6,246	10,579
Net defined benefit liabilities	<u>(1,203)</u>	<u>33</u>
Adjustments:	<u>24,518</u>	<u>(67,714)</u>

(Please refer to the notes attached to this financial statement.)

Chairman:
Zhong-Ting Chen

Manager:
Hong-Zheng Chen

Accounting Supervisor:
Ying-Hui Su

	2022	2021
Cash inflow (outflow) from operating activities	\$ 68,931	(22,250)
Interests received	4,524	3,851
Interests paid	(7,311)	(5,978)
Income tax paid	(13,475)	(17,047)
Net cash inflow (outflow) from operating activities	52,669	(41,424)
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(101,202)	-
Disposal of financial assets measured at amortized cost	-	48,497
Acquisition of investments using the equity method	(27,000)	(4,600)
Disposal of subsidiaries	23,452	267,426
Acquisition of properties, plants and equipments	(43,409)	(31,513)
Disposal of properties, plants and equipments	83,582	105
Increase in other receivables	-	(6,689)
Decrease in other receivables	5,575	8,000
Increase in other receivables - related parties	(20,000)	(42)
Acquisition of intangible assets	(587)	(146)
Increase in other non-current assets	(9,151)	(8,897)
Dividends received	11,603	13,183
Net cash (outflow) inflow from investment activities	(77,137)	285,324
Cash flows from financing activities:		
Decrease in short-term loans	(82,000)	(15,000)
Proceeds from long-term borrowings	87,925	1,000
Repayment of long-term borrowings	(67,645)	(4,594)
Decrease in guarantee deposits received	(50)	(111)
Employee stock options exercised	12,115	-
cost of repurchase treasury shares	(3,181)	(39,169)
treasury shares acquired by employees	285	18,297
Acquisition of equity of subsidiaries	(71,593)	(119,000)
Disposal of of equity of subsidiaries (no loss of control over the subsidiaries)	260	-
Repayment of the lease principal amount	(6,158)	(6,443)
Net cash inflow (outflow) from financing activities	(130,042)	(165,020)
Effect of exchange rate changes on cash and cash equivalents	7,325	2,477
(Decrease) increase in cash and cash equivalents for the period	(147,185)	81,357
Cash and cash equivalents at the beginning of the year	296,296	214,939
Cash and cash equivalents at the end of the year	\$ 149,111	296,296

(Please refer to the notes attached to this financial statement.)

Chairman:
Zhong-Ting Chen

Manager:
Hong-Zheng Chen

Accounting Supervisor:
Ying-Hui Su

Billion Electric Co., Ltd.
**Evaluation Opinion on the Reasonableness and Necessity of the
Private Placement of Ordinary Shares**

Yuanta Securities Co., Ltd. (hereinafter referred to as Yuanta or the Company) has been engaged by Billion Electric Co., Ltd. (hereinafter referred to as Billion or the Company) to render an opinion on the necessity and reasonableness of the private placement of Billion's ordinary shares, and this opinion is intended solely for the consideration of the Board of Directors or shareholders of the Company or for reporting to the competent authorities, and shall not be cited, circulated, referenced, or referred to in whole or in part for any other purpose.

This opinion is based on the evaluation date of March 30, 2023. The evaluation process is based on the information and data provided by Billion and the financial reports of Billion obtained from the Market Observation Post System. Therefore, if the contents of the aforementioned information change with time, it will affect the validity of this opinion. Although every effort has been made to ensure the accuracy of this opinion, it is based on the aforementioned information and therefore no opinion is expressed as to the reasonableness and correctness of such information, and the Company shall not be liable for any falsification or concealment of such information.

I. Background of the Project

Founded on March 26, 1973, Billion is engaged in the development and manufacture of ICT solutions, network communication equipment and Internet access devices, as well as businesses related to brand sales based on its electronic and network communication technologies. On March 18, 2022, Billion's board of directors resolved to conduct a private placement of ordinary shares within the quota of not more than 15,000,000 shares at a price not less than 80% of the reference price, and authorized the Board of Directors to execute the private placement within one year from the date of the resolution in the same year (2022), and on March 14, 2023, the Board of Directors approved the private placement of ordinary shares. In accordance with Article 43-6 of the Securities and Exchange Act and Article 6 of the Cautionary Notes on Private Placement of Marketable Securities by Listed Companies: If the Board of Directors resolves to enter into a private placement within one year prior to the date of the private placement, or if the introduction of a strategic investor into the private placement will result in a significant change in operating power, an evaluation opinion on the necessity and reasonableness of the private placement should be obtained from a securities underwriter.

Within one year before the Board of Directors' meeting approving the private placement of

Billion's ordinary shares on March 18, 2022, the shareholders' meeting on August 20, 2021 approved the increase of the number of directors from seven to nine and the resignation of two directors - Hsu-Feng Cheng (Vice President of Billion) and Sheng-Tai Wen (Independent Director), and there are four new directors - Kun-Chin Tsai and Hung-Cheng Chen (General Manager of Billion), Chang-Hua Lin and Kuo-Hui Ning (Independent Directors), and the director Sheng-Hsien Weng (Representative legal person: Junwang Investment Co., Ltd.) resigned on March 7, 2022. The cumulative change in the number of directors is five out of nine, meeting the standard of changing one-third of the directors. The Company indicated that the reason for the change was the retirement of the former two directors and the addition of two new directors to enhance corporate governance and Board of Directors' operational efficiency, and that the replacement or new directors were the company's president, university professors, retired senior executives from competent authorities and industry professionals with expertise in product technology, which should be a routine re-election of directors.

On March 14, 2023, the Board of Directors approved a private placement of 15,000,000 shares of Sino-American Silicon Products Inc. (hereinafter referred to as SASP), representing approximately 13.08% of Billion's paid-in capital after the private placement, and it is expected that a by-election of directors will be held at the 2023 Annual Shareholders' Meeting, which should not result in any significant change in the Company's operating power.

Since the number of directors changed by one-third within one year prior to March 18, 2022, in accordance with the "Cautionary Notes on Private Placement of Marketable Securities by Listed Companies", a securities underwriter was appointed to issue an opinion on the necessity and reasonableness of the private placement of securities by Billion, and the relevant evaluation is described below.

II. Financial information of Billion in the past 4 years

Unit: NT\$1,000

Profit and loss statement	2022/12/30	2021/12/30	2020/12/31	2019/12/31
Net revenue	1,211,418	1,048,947	849,824	623,090
Gross operating profit	297,204	322,066	329,390	213,859
Operating gains	5,761	5,585	39,479	(35,784)
Non-operating revenue and benefit	70,869	76,857	22,707	30,799
Non-operating expenses and loss	(9,961)	(7,484)	(24,530)	(39,285)
Profit before income tax	66,669	74,958	37,656	(44,270)
Loss and income for this period	50,866	35,524	34,861	(17,171)
Earnings per share (NT\$)	0.41	0.28	0.32	(0.18)

Balance Sheet	2022/12/30	2021/12/30	2020/12/31	2019/12/31
Cash and cash equivalents	578,738	618,117	625,270	750,862
Current assets	1,623,449	1,360,670	1,196,845	1,223,458
Property, Plant and Equipment	706,814	578,560	558,836	556,899
Total assets	3,306,441	2,587,021	2,448,657	2,158,842
Current Liabilities	1,071,898	839,682	760,943	383,160
Non-current liabilities	510,661	189,100	204,694	309,516
Total liabilities	1,582,559	1,028,782	965,637	692,676
Ordinary share capital	996,973	988,563	988,563	988,563
Capital surplus	308,439	301,289	295,873	294,560
Total equity of shareholders	1,723,882	1,558,239	1,483,020	1,466,166
Net value per share (NT\$)	15.93	15.30	14.69	14.52

III. Evaluation on the Necessity of the Private Placement of Ordinary Shares

In response to the global trend of net zero emission and carbon neutrality, and the "2050 Net Zero Emission Pathway" released by the Taiwan government - with 12 key strategies for wind power, PV, hydrogen energy, power systems and energy storage to achieve the transformation goals - Billion has the following key positions in the green energy business:

1. Solar grid monitoring: In 2017, we invested in Shengqi Green Energy, and since then, we have successfully connected nearly 1,300 solar power stations to the grid.
2. Establishment of energy storage facilities: In 2021, Billion Electric Group formally moved from PV industry to energy storage industry, providing a one-stop service for the construction of energy storage facilities, including: Site development, design and planning, equipment procurement, project construction, system integration, maintenance and warranty, tender agency, and investment ownership.
3. Motorization of transportation vehicles: At the end of 2022, Billion and Shift Clean Energy, a Canadian energy solution provider, signed a cooperation agreement on battery and PwrSwäp battery exchange technology for electric ships, expanding the influence of the marine and shipping industry in Taiwan, Asia and other regions, with the hope of helping Taiwan's transportation industry move towards energy saving and carbon reduction.
4. Other energy products: At the end of 2022, we invested in GROWATT to hold 51% of its shares, officially entering the terrestrial photovoltaic 1500V converter market. In 2023, we will launch AC/DC electric vehicle charging piles, and home and commercial energy storage products.

The energy market is changing rapidly and attracting many companies to invest in it. Billion has the advantage of being the first mover with years of experience in communications and power supply, and has a proven track record in solar photovoltaic and energy storage facilities. However, in the face of fierce competition, in order to continue to lead the industry, we plan to expand our vertical integration and market investment in the energy industry in order to enter new markets such as electric vehicle charging stations and

the electrification of land and sea transportation, and to gain a deeper and more solid competitive edge. We need the support from our strategic partners in terms of technology, customers and industry experience.

Through the private placement, Billion introduced SASP as the subscriber to expand its vertical integration in the energy industry, enhance the benefits of product development and integration, and bring in long term capital. In addition to obtaining sufficient funds to support the development of the company and to improve its financial structure and reduce its dependence on bank loans, Billion can also use the funds to strengthen the technology, business or key materials required for its operation and to enhance its competitiveness. Therefore, there is a need for Billion to carry out this private placement of common shares.

IV. Evaluation on the Reasonableness of the Private Placement of Ordinary Shares

The Company's private placement plan is mainly for the development of strategic alliances, the replenishment of working capital, the repayment of bank loans and other capital needs for the Company's future development, is as to enhance the Company's competitiveness and improve its scale of operation and profitability.

SASP has vertically integrated in the solar industry chain, extending its business from a pure material provider to a PV sites and O&M services. In recent years, we have expanded our clean energy business by entering the field of green power development and sales, and have become a provider of green energy solutions. Its invested entities has covered clean energy and semiconductors. In addition to profitability and technology, Lianqi Technology, in which it has invested in 5.54% of its shares, has also become a potential player in the deployment of smart grid and energy Internet of Things platform.

SASP has invested NT\$529.8 million to subscribe for the entire private equity shares in Billion, and the two companies expect to cooperate in the development of energy storage equipment for renewable energy generation to achieve the policy goals of 5.5GW of energy storage capacity in Taiwan by 2030, 100% of electric vehicle sales by 2040, and over 60% of renewable energy generation by 2050. The main considerations behind this strategic cooperation are as follows:

1. Billion has its own information and communication technologies in the existing optoelectronic and energy storage fields, and has been developing new process products and expanding its energy customer base in recent years, resulting in stable revenue and profit growth. In this way, SASP can further expand into the fields of energy storage, micro grid integration plants and transportation equipment electrification, transforming from Energy Provider to Energy Solution Provider and deepening its layout in the green energy industry.

2. In recent years, Billion has been aggressively pursuing the development of land and sea charging and battery switching equipment for the electrification of transportation vehicles. This development direction is complementary to SASP's active compound semiconductor business, which will enable Billion to enter the electric vehicle energy storage market.

The selection of the private placement operator is in compliance with Section 43-6 of the Securities and Exchange Act, and is expected to expand the vertical integration of the energy industry through strategic investors, enhance the benefits of product development and integration, as well as increase working capital and expand market investment. In terms of financial structure, with the increase in the proportion of own funds after the completion of the private placement, the Company's debt ratio will be reduced and, given the relatively poor bank borrowing conditions, the Company will be able to reduce its interest expenses and reserve room for future capital utilization, which will be beneficial to its operations.

In addition to securing stable long-term capital and maintaining financial flexibility, the private placement is non-transferable for three years, which will ensure a long-term relationship between the Company and the offeree. In addition, the subscription price for the private placement of ordinary shares was set on March 14, 2023, and the reference price was set at 80% of the higher of the following two benchmarks: (A) The closing price of the ordinary shares calculated on the first, third or fifth business day before the fixing date, net of the ex-rights of the gratis allotment and the dividend allotment and after adding the anti-defeasance of the capital reduction, which will be NT\$43, NT\$43.40 and NT\$44.15, respectively. (B) Share price by deducting the ex-rights and dividends of free rationed shares from the simple arithmetic mean of the closing price of ordinary shares 30 business days before the pricing date and then adding the reverse ex-rights of the capital reduction, which is NT\$41.03. The higher of the two benchmarks listed above, NT\$44.15, is the reference price. The subscription price per share for the actual private placement is set at NT\$35.32, which is 80% of the reference price, and the issue price is no less than 80% of the theoretical price, which is in compliance with the relevant laws and regulations and the price authorized by the shareholders' meeting.

The proposed private placement of the Company's ordinary shares should have positive and material benefits to the Company's sustainable operations, overall development and sound financial structure, and the estimated benefits should be assessed to be reasonable.

V. Summary of Evaluation Opinions

Billion proposed a private placement of ordinary shares at the 2022 Annual Shareholders' Meeting and the Board of Directors approved the private placement by SASP on March 14, 2023. Yuanta was engaged to issue an evaluation letter on the necessity and reasonableness of the private placement. After considering the impact of possible changes in operating rights on the Company's business, financial position and shareholders' equity, the feasibility and necessity of the selection of the offeree, and the expected benefits of the private placement, Yuanta believes that it is necessary and reasonable for Billion to enter into a private placement of its ordinary shares.

Yuanta Securities Co., Ltd.

Hsiu-Wei Chen

(This printed page is only for use in the opinion on the necessity and reasonableness of the private placement of ordinary shares by Billion Electric Co., Ltd.)

March 31, 2023

【Appendix 5】

**Billion Electric Co., Ltd.
Issuance of Private Ordinary Shares**

Item	Private placement of ordinary shares for capital increase in cash in 2022 Issue date (share release date): March 22, 2023	
Types of the private placement of negotiable securities	Ordinary shares	
Date and amount approved by the Board of Directors at the shareholders' meeting	On June 9, 2022, the shareholders' meeting approved the issuance of not more than 15,000,000 shares.	
Basis for and reasonableness of price setting	<p>The date of the Board of Directors' meeting, March 14, 2023, is hereby used as the pricing date.</p> <p>(1) The closing price of the ordinary shares calculated on the first, third or fifth business day before the fixing date, net of the ex-rights of the gratis allotment and the dividend allotment and after adding the anti-defeasance of the capital reduction, which will be NT\$43, NT\$43.40 and NT\$44.15, respectively.</p> <p>(2) Share price by deducting the ex-rights and dividends of free rationed shares from the simple arithmetic mean of the closing price of ordinary shares 30 business days before the pricing date and then adding the reverse ex-rights of the capital reduction which is NT\$41.03.</p> <p>The reference price for the private placement is \$44.15, the higher of the above two benchmark prices. After comprehensive consideration, the subscription price per share for the actual private placement was set at NT\$35.32, which is 80% of the reference price and not lower than the minimum percentage resolved at the shareholders' meeting.</p>	
Method of selection of certain people	The objects of this private placement of ordinary shares are certain people stipulated in Paragraph 6, Article 43 of the Securities and Exchange Act and (91) TCZY No. 0910003455 promulgated by the Financial Supervisory Commission on Jun. 13, 2002, and limited to strategic investors.	
Necessary reason for private placement	The Company evaluated the capital market conditions and considered the timeliness, convenience, cost of issuance and stability of equity in raising capital, and therefore issued ordinary shares through a private placement.	
Price payment completion date	March 15, 2023	
Offeree information	Private placement subject	Sino-American Silicon Products Inc.
	Qualifications	Subparagraph 2 of Paragraph 1 of Article 43-6 of the Securities and Exchange Act
	Number of subscription	15,000,000 shares
	Relationship with the Company	None
	Participation in the Company's operations	None
Actual subscription price	NT\$35.32 per share	

Difference between actual subscription price and reference price	The difference between actual subscription price and reference price is NT\$ 8.83					
Effect of private placement on shareholders' equity	The three-year non-transferability rule for privately placed securities will ensure a long-term relationship between the Company and the offeree, thus providing a certain degree of protection for shareholders' rights and interests. After the capital increase, the Company expects to strengthen its competitiveness and enhance operational efficiency, which will have a positive impact on shareholders' equity.					
Use of private funds and progress of plan execution	Q1 2023	Estimated expenditures	Accumulated actual expenditures	Accumulated actual expenditures and the percentage (%)	Description of the balance of unexpended funds and their use	Reasons for ahead-of-schedule or lagging behind and improvement plans
	Others: Replenish operating funds, repay bank loans and respond to the Company's capital needs for future multi-orientation management and operation planning.	529,800,000	439,000,000	83	The Company has not yet spent 90,800,000, which is being gradually expended according to the progress of its operation	N/A
Demonstration of benefits of the private placement	It can improve the financial structure and reduce the Company's financial operation risk, which will lead to a positive and substantial benefit to the shareholders' equity.					

**Billion Electric Co., Ltd.
Articles of Incorporation**

Approved at the shareholders' meeting on June 9, 2022.

Chapter 1 General Provisions

- Article 1 The Company is organized in accordance with the Company Act and other pertinent laws and regulations, and it is named as Billion Electric Co., Ltd..
- Article 2 The Company may engage in the following business activities:
- I. A101020 Crop cultivation business
 - II. CC01010 Power generation, transmission and distribution, and machinery manufacturing business
 - III. CC01060 Wire communication mechanical device manufacturing business
 - IV. CC01070 Wireless communication mechanical device manufacturing business
 - V. CC01080 Electronic component manufacturing business
 - VI. CC01090 Battery manufacturing business
 - VII. CC01100 Telecommunication-regulated radio-frequency device manufacturing business
 - VIII. CC01110 Computer and peripheral equipment manufacturing business
 - IX. D101060 Renewable energy non-utility power generation equipment business
 - X. E603050 Automatic control equipment engineering business
 - XI. E606010 Electric equipment inspection and maintenance business
 - XII. F101130 Fruit and vegetable wholesale business
 - XIII. F113070 Telecommunication equipment wholesale business
 - XIV. F113110 Battery wholesale business
 - XV. F118010 Information software wholesale business
 - XVI. F119010 Electronic material wholesale business
 - XVII. F201010 Agricultural product retail business
 - XVIII. F401010 International trade business
 - XIX. I103060 Management consulting business
 - XX. I199990 Other consulting service business
 - XXI. I301010 Information software service business
 - XXII. I301030 Electronic information supply service business
 - XXIII. IF04010 Non-destructive detection business
 - XXIV. IG03010 Energy technology service business
 - XXV. JE01010 Leasing business
 - XXVI. ZZ99999 Business not prohibited or restricted by operation laws and regulations, except for the licensed business
- Article 3 The Company shall provide external guarantee for business needs.
- Article 4 The Company's reinvestment in other businesses is not limited by the total amount of reinvestment under the Company Act.

Article 5 The Company's head office is situated in New Taipei City, Taiwan, and if necessary, it may set up branches or offices at home or abroad according to law upon the resolution of the board of directors.

Article 6 (Deleted)

Chapter 2 Share

Article 7 The total capital of the Company is set as NT\$2.5 billion, divided as 250 million shares with a par value of NT\$10, and the shares shall be issued in installments. For NT\$123,500,000 among the aforementioned capital, divided into 12,350,000 shares, stock option certificates shall be reserved and used by exercising the stock options jointly with the preferred shares with warrants or warrant bonds.

Article 8 The Company's shares shall be in the registered form, be affixed with the signatures or seals of and numbered by directors representing the Company, and be certified or authenticated according to law before issuance.

The shares issued by the Company may be without certificates, provided that such shares are registered with a central securities depository.

Article 9 The stock affairs of the Company shall be handled in accordance with the "Regulations Governing the Handling of Stock Affairs of Public Companies" and other pertinent laws and regulations.

Article 10 The transfer of shares shall be suspended within 60 days prior to the convening date of each annual shareholders' meeting, or within 30 days prior to the convening date of an interim shareholders' meeting, or within five days prior to the target date fixed by the Company for distribution of dividends, bonuses or other benefits.

Chapter 3 shareholders' Meeting

Article 11 Shareholders' meetings comprise of two types: Annual shareholders' meeting and interim shareholders meeting, the annual shareholders' meeting shall be convened at least once a year, by the board of directors within six months after the end of each fiscal year, and the interim shareholders' meeting shall be convened according to law when it is necessary.

All shareholders shall be informed of the meeting date, place and purpose 30 days prior to an annual shareholders' meeting and 15 days prior to an interim shareholders' meeting.

Shareholders' meetings of the Company may be held by means of video conferencing or in other ways announced by the central competent authority. If the conditions, operating procedures and other matters to be complied with for the shareholders' meeting held by means of video conferencing are further stipulated by the competent authority, such stipulation shall prevail.

Article 12 In case a shareholder is unable to attend a shareholders' meeting, he or she may appoint a proxy to attend the shareholders' meeting in his/her behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. However, the power of attorney shall be delivered to the Company or the post agency designated by the Company five days before the shareholders' meeting, and in case of repetition of the power of attorney, the one delivered first

shall prevail.

Article 13 The shareholder's meeting convened by the board of directors shall be chaired by the chairman of the board. If the chairman is on leave or cannot perform his/her duties for any reason, its proxy shall be designated in accordance with the provisions of Paragraph 3, Article 208 of the Company Act.

The shareholders' meeting convened by a person having the convening right, other than the board of directors, shall be chaired by the person, and if there are more than two persons having the convening right, one of whom shall be elected to serve as the chairperson.

Resolutions at a shareholders' meeting shall be handled in accordance with the rules of procedure for shareholders' meetings of the Company.

Article 14 Except in the circumstances of having no vote according to law, a shareholder of the Company shall have one vote in respect of each share in his/her/its possession.

According to the regulations of the competent authority, shareholders of the Company may exercise their voting rights electronically, the shareholders exercising their voting rights electronically shall be deemed to have attend the shareholders' meeting in person, and relevant matters shall be handled according to laws and regulations.

Article 15 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one half of the total number of voting shares.

Article 16 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes and the meeting minutes shall record the date and place of the meeting, name of the chairperson, method for adoption of resolutions, summary and results of the proceedings, be signed or sealed by the chairperson and be distributed to shareholders within 20 days after the meeting by means of announcement.

Chapter 4 Directors and Audit Committee

Article 17 The Board of Directors of the Company shall comprise seven to nine directors. The term of office of a director is three years, but the director may be eligible for re-election. All directors shall be elected from among the competent persons by the board of shareholders.

In case a candidates nomination system is adopted by the Company for election of the directors, the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. Each share shall 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, and the candidate winning the most votes shall be elected as the director.

Among the aforementioned directors of the Company, no less than three independent directors shall be set. The independent directors' professional qualifications, shareholding, restrictions on concurrent positions, nomination and election method and other matters to be complied with shall be subject to relevant regulations of the competent securities authority. The total number of registered shares held by all directors in the Company shall be subject to relevant regulations.

The Company shall purchase liability insurance for directors with respect to the compensation liability resulting from exercising their duties during their terms of directorship.

In accordance with Article 14-4 of the Securities and Exchange Act, the Company shall set up an audit committee composed of all independent directors whose functions and powers and relevant matters shall be subject to relevant laws and regulations.

Article 18 The reasons for calling a board of directors meeting shall be notified to each director seven days in advance; in emergency circumstances, however, a meeting may be called on shorter notice. The notice on calling a board of directors may be given in writing, by fax or by email.

Article 19 When the number of directors falls short by one third of the total number, the board of directors shall call, within 60 days, an interim shareholders' meeting to elect succeeding directors to fill the vacancies.

Article 20 The board of directors is organized by the directors, and shall elect a chairman of the board of directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and a vice chairman shall be elected in the same way. The chairman of the board of directors shall externally represent the Company and handle all affairs of the Company according to laws and regulations, articles of incorporation and resolutions of shareholders' meetings and meetings of the board of directors.

Article 21 In case the chairman of the board of directors is on leave or unable to exercise his power and authority for any cause, the designation of his/her proxy shall be in accordance with Article 208 of the Company Act. If the meeting of the board of directors is held by means of video conferencing, the directors attending the meeting by means of video conferencing shall be deemed to have attended the meeting in person.

Article 22 Unless otherwise provided for in the Company Act, the meeting of the board of directors shall be attended by more than a half of the directors, and if a director is unable to attend the meeting for any cause, he or she shall issue a proxy and set forth the scope of authorization, and the above proxy is limited to one person. Resolutions at the meeting of the board of directors shall be adopted by a majority of all attending directors, and the matters relating to the resolutions shall be recorded in the meeting minutes and be subject to the provisions of Article 16 of these Articles of Incorporation.

Article 23 (Deleted).

Article 24 When directors engage in businesses of the Company, the Company shall pay them remuneration, irrespective of making profit or loss.

Article 24-1 (Deleted).

Article 25 The board of directors shall be authorized to determine the remuneration and traffic allowance of the chairman and directors according to the degree of participation in the operation of the Company and the value of their contribution, with reference to the normal industry standards.

Article 26 The Company shall have one general manager, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 5 Managers and Employees

Article 27 (Deleted).

Chapter 6 Accounting

Article 28 The Company's period of settlement shall begin on Jan. 1 and end on Dec. 31 of each year, and the board of directors shall prepare the following reports and statements which shall be submitted to the audit committee for review 30 days before the annual shareholders' meeting, and to the shareholders' meeting for recognition.

I. Business report.

II. Financial statements.

III. Proposals for earnings distribution or loss recovery.

Article 29 If the Company has gained profits within a year, no less than 2% of the profits shall be reserved as the employees' compensation which shall be resolved by the board of directors to be distributed in the form of shares or in cash. Qualification requirements of employees shall include the employees of parents or subsidiaries of the Company meeting certain specific requirements. Less than 3% of the profits of the Company shall be resolved by the board of directors to be reserved as the directors' remuneration. The proposals for distribution of the employee's compensation and directors' compensation shall be submitted to the shareholders' meeting for approval.

However, if the Company has accumulated losses, the amount of profits for loss recovery shall be reserved first, and then the remainder shall be appropriated as the employee's compensation and directors' compensation.

Article 29-1 After paying all taxes and dues according to law and making up for accumulated losses, 10% of the remaining profit of the Company after annual closing of the books shall be appropriated as the legal surplus reserve; where such legal surplus reserve amounts to the total paid-in capital of the Company, this provision shall not apply; the remainder shall be used to appropriate or reverse the special surplus reserve. If there is still remaining balance, the board of directors shall draw up an earnings distribution proposal on the balance and the accumulated undistributed earning, and submit it to the shareholders' meeting to resolve the dividends distribution to the shareholders.

The policy of dividends of the Company is based on the current and future development plan, taking into account the investment environment, capital needs, domestic and foreign competition and interests of shareholders, no less than 10% of the distributable earnings can be appropriated for dividends distribution to the shareholders each year, and such distribution is not required provided that the accumulated distributable earnings are less than 5% of the paid-in capital, and that the dividends to shareholders are distributed. In the year's distribution of dividends to the shareholders, the proportion of cash dividends distributed shall not be less than 5% of the year's total dividends, and the remainder shall be distributed by means of stock dividends, provided that

the actual proportion of distribution is adjusted according to the year's actual profits and operating condition.

Chapter 7 Supplementary Provisions

- Article 30 Matters not specified in the Articles of Incorporation shall be conducted in accordance with the provisions of the Company Act.
- Article 31 The rules of organization and by-laws of the Company shall be formulated separately upon resolution of the board of directors.
- Article 32 These Articles of Association were made on January 28, 1973, the 1st amendment was made on August 4, 1976, the 2nd amendment was made on August 25, 1976, the 3rd amendment was made on January 12, 1981, the 4th amendment was made on May 28, 1982, the 5th amendment was made on June 12, 1984, the 6th amendment was made on November 1, the 7th amendment was made on July 30, 1988, the 8th amendment was made on April 1, 1989, the 9th amendment was made on October 5, 1990, the 10th amendment was made on January 26, 1992, the 12th amendment was made on May 15, 1996, the 13th amendment was made on October 1, 1997, the 14th amendment was made on January 5, 1997, the 15th amendment was made on March 1, 1998, the 16th amendment was made on April 18, 1998, the 17th amendment was made on May 27, 2000, the 18th amendment was made on May 10, 2001, the 19th amendment was made on May 2, 2002, the 20th amendment was made on May 27, 2003, the 21st amendment was made on June 29, 2005, the 22nd amendment was made on June 14, 2006, the 23rd amendment was made on June 13, 2008, the 24th amendment was made on June 19, 2009, the 25th amendment was made on May 28, 2010, the 26th amendment was made on June 10, 2011, the 27th amendment was made on June 27, 2012, the 28th amendment was made on June 2, 2025, the 29th amendment was made on June 7, 2016, the 30th amendment was made on June 7, 2017, the 31st amendment was made on June 5, 2018, the 32nd amendment was made on June 5, 2020, the 33rd amendment was made on August 20, 2021, and the 34th amendment was made on June 9, 2022.

Billion Electric Co., Ltd.
Measures for the Election of Directors

Approved at the shareholders' meeting on August 20, 2021

- Article 1 To elect directors fairly, justly and openly, these Measures are developed according to the provisions of Article 21 and Article 41 of the “Code of Practice for Governance of Listed Companies”.
- Article 2 Except as otherwise provided by laws and regulations or by the Articles of Incorporation, election of directors shall be conducted in accordance with these Measures.
- Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Diversification shall be taken into consideration in the composition of members of the board of directors, and appropriate diversification policies shall be prepared based on the Company's own operation, operational form and development needs, including but not limited to the following two standards:
- I. Basic conditions and value: Sex, age, nationality and culture.
 - II. Professional knowledge and skills: Professional background (such as legal, accounting, industrial, financial, marketing or science and technology background), professional skills and industrial experience.
- Members of the board of directors 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:
- I. The ability to make judgments about operations.
 - II. Accounting and financial analysis ability.
 - III. Business management ability.
 - IV. Crisis management ability.
 - V. Knowledge of the industry.
 - VI. An international market perspective.
 - VII. Leadership ability.
 - VIII. 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.
- Article 4 Qualifications of independent directors of the Company shall meet the provisions of Article 2, Article 3 and Article 4 of the “Measures for Setting of Independent Directors of Public Companies and Matters to Be Complied with”.
- The election of independent directors of the Company shall be in accordance with the provisions of Article 5, Article 6, Article 7, Article 8 and Article 9 of the “Measures for Setting of Independent Directors of Public Companies and Matters to Be Complied with” and Article 24 of the “Code of Practice for Governance of Listed Companies”.
- Article 5 The election of directors of the Company shall be in accordance with the candidates nomination system stipulated in Article 192-1 of the

Company Act.

If a director resigns for any cause, and as a result, the number of members of the board of directors is less than five, the Company shall elect the succeeding director at the most recent shareholders' meeting. When the number of directors falls short by one third of the total number set in the Articles of Incorporation, the Company shall call, within 60 days as of the date of occurrence of such fact, an interim shareholders' meeting to elect succeeding directors.

If the number of independent directors is less than the number stipulated in Paragraph 1, Article 14-2 of the Securities and Exchange Act, succeeding independent directors shall be elected at the most recent shareholders' meeting; when all of the independent directors resign, an interim shareholders' meeting shall be held for election of succeeding independent directors within 60 days as of the date of occurrence of such fact.

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

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

Article 8 The number of directors will be as specified in the Company'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, therefore, 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 shareholders to perform the respective duties of vote monitoring and counting personnel. A ballot box shall be prepared by the board of directors and opened for inspection by the vote monitoring personnel in public before the vote.

Article 10 A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by the person having the convening right.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The name of the candidate whose name is entered in the ballot does not conform with the one given in the list of candidates of directors.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11 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 number of voting rights, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be kept in proper custody for at least 1 year after being sealed and signed by the vote monitoring personnel.

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

【Appendix 8】

Billion Electric Co., Ltd. Rules of Procedures for Shareholders' Meeting

Approved at the shareholders' meeting on August 20, 2021

Article 1 To establish a good shareholders' meeting governance system of the Company, perfect the supervision function and strengthen the management mechanism, the Rules are formulated according to the provisions of Article 5 of the Code of Practice for Governance of Listed Companies.

Article 2 The rules of procedures for the company's shareholders' meetings, except as otherwise provided by laws, regulations, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3 Unless otherwise provided by laws and regulations, the shareholders' meetings of the Company shall be convened by the board of directors. The Company shall prepare electronic files of the notice of shareholders' meeting, power of attorney, related proposals, discussions, reasons and explanation of all proposals for election or dismissal of directors and send them to the MOPS 30 days before the annual shareholders' meeting or 15 days before the interim shareholders' meeting. The Company shall prepare electronic files of the meeting handbook and further meeting information of the shareholders' meeting and send them to the MOPS 21 days before the annual shareholders' meeting and 15 days before the interim shareholders' meeting. 15 days before the shareholders' meeting, the meeting handbook and further meeting information shall be prepared so that the shareholders can consult them at any time, and they shall be displayed in the Company and the professional shareholder services agent designated by the Company and be distributed at the site of the shareholders' meeting.

The reason for convening shall be specified in the notice and announcement; with the consent of the counterpart, the notice may be made electronically.

The election or dismissal of directors, change to the articles of incorporation, dissolution, merger or division of the company, or matters stated in all items of Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Code for Handling of Negotiable Securities Raised and Issued by Issuers shall be listed in the reason for convening, and not be proposed in the form of extemporary motions; the main contents shall be placed on the website designated by the competent securities authority or the Company and the website shall be specified in the notice.

The shareholders holding more than 1% of the total shares issued may present proposals of the annual shareholders' meeting to the Company in writing. However, the number of proposals is limited to

one, otherwise, the proposal shall not be included in the motion. Besides, if the proposal presented by shareholders is in the circumstances stated in items 1 to 4, Article 172 of the Company At, the board of directors shall not list it in the motion. The shareholders may present suggestive proposals urging the Company to increase public interest or fulfill social responsibilities, and according to relevant provisions of Article 172-1 of the Company Act, the number of proposals is limited to one, otherwise, the proposal shall not be included in the motion. Before the annual shareholders' meeting, the Company shall make an announcement of the shareholders' proposals accepted, place and period of acceptance prior to the date of suspension of transfer of shares; the period of acceptance shall not be less than ten days.

The proposal presented by a shareholder is limited to 300 words, and any proposal of more than 300 words shall not be included in the motion; the proposing shareholder shall attend the annual shareholders' meeting in person or by proxy and participate in discussion of the proposal.

The Company shall inform the proposal shareholder of the handling result before the date of notice on convening of the shareholders' meeting and list the proposals stipulated in this article in the meeting notice. If a shareholders' proposal is not included in the motion, the board of directors shall explain the reason at the shareholders' meeting.

Article 4

The shareholder may present the power of attorney issued by the Company at each shareholders' meeting, on which the scope of authorization shall be stated, and a proxy can be entrusted to attend the shareholders' meeting.

A shareholder shall issue a power of attorney to entrust only one proxy, and the power of attorney shall be delivered to the Company five days before the shareholders' meeting, and if the power of attorney is repeated, the one delivered first shall prevail. However, if a statement is made on cancellation of the above power of attorney, this provision shall not apply.

After the power of attorney is delivered to the Company, if the shareholder intends to attend the shareholders in person or exercise his/her voting rights electronically, it shall give a written notice on cancellation of the power of attorney to the Company two days before the shareholders' meeting; if the shareholder fails to do so within the time limit, he/she shall entrust an agent to attend the meeting and exercise his/her voting rights.

Article 5

The venue for a shareholders' meeting shall be the premises of the company, 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

Article 6

The company shall specify in its shareholders' meeting notices the

time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

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

The Company 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. The Company shall deliver the meeting handbook, annual report, attendance card, speaker's slip, votes and other meeting materials to the shareholders attending the shareholders' meeting; in case of election of directors, the ballots shall be attached. 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

If the shareholders' meeting is convened by the board of directors, it shall be chaired by the chairman of the board; if the chairman is on leave or cannot perform his/her duties for any reason, the vice chairman shall serve as an agent of the chairman; if there is no vice chairman or the vice chairman is also on leave or cannot perform his/her duties for any reason, the chairman shall designate an executive director to serve as an agent of the chairman; if there is no executive director, a director shall be designated to serve as an agent of the chairman; if the chairman does not designate an agent, one executive director or director shall be recommended to serve as an agent of the chairman.

If the aforementioned chairperson is an executive director or director, he/she shall be the executive director or director serving for more than six months and understanding the financial and business condition of the Company. If the chairperson is the representative of a juristic-person director, the above provisions shall also apply.

The shareholders' meeting convened by the board of directors shall be presided over by the chairman of the board in person and attended by more than a majority of the board of directors and at least one member of various functional committees, and the attendance shall be recorded in the minutes of the shareholders' meeting.

The shareholders' meeting convened by a person having the convening right, other than the board of directors, shall be chaired by the person, and if there are more than two persons having the convening right, one of whom shall be elected to serve as the chairperson.

The Company 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

The Company, 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 1 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 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 plus the number of shares whose voting rights are exercised by correspondence or electronically.

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 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

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 10

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

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors. The chair may not arbitrarily declare the meeting adjourned prior to completion of

deliberation on the meeting agenda of the preceding two paragraphs (including extemporary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedures, 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 extemporary 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 and call for a vote.

Article 11

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

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

Except with the consent of the chair, a shareholder 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.

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.

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.

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

Article 12

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

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

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

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

voting rights represented by attending shareholders.

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 13

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 Paragraph 2, Article 179 of the Company Act.

At the shareholders' meeting held by the Company, the voting rights shall be exercised in writing or electronically (for the company adopting electronic voting according to Paragraph 1, Article 177-1 of the Company Act, at the shareholders' meeting held electronically, the voting rights shall be exercised in writing): when voting rights are exercised in writing or electronically, the method of exercise shall be stated in the notice on convening a shareholders' meeting. The shareholder exercising his/her voting rights in writing or electronically shall be deemed to have attended the shareholder's meeting in person. However, the voting rights on extemporary motions and amendments to the original proposals of the shareholders' meetings shall be deemed to have been waived, and therefore, the Company shall avoid to propose extemporary motions and amendments to the original proposals.

If a shareholder exercise his/her voting rights in writing or electronically, his/her declaration of intention shall be delivered to the Company two days before the shareholders' meeting, and if the declaration of intention is repeated, the one delivered first shall prevail. However, if a statement is made on cancellation of the above declaration of intention, this provision shall not apply.

After exercising voting rights in writing or electronically, if a shareholder intends to attend the shareholders' meeting in person, it shall cancel the aforementioned declaration of intention for exercising voting rights in the same way as that for exercise of voting rights two days before the shareholders meeting; if the shareholder fails to do so within the time limit, the voting rights exercised in writing or electronically shall prevail. If a shareholder exercises his/her voting rights in writing or electronically and designates a proxy to attend the shareholders' meeting by executing a power of attorney, the voting rights exercised by the proxy attending the shareholders' meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of 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.

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.

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

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

Article 14

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

The ballots for the election referred to in the preceding paragraph shall be kept in proper custody for at least 1 year after being sealed and signed by the vote monitoring personnel. 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 15

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes, and the meeting minutes shall be signed or sealed by the chairperson and distributed to all shareholders within 20 days after the meeting. The meeting minutes may be made and distributed electronically. The aforementioned meeting minutes may be distributed by the Company by entering an announcement in 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 results, and it shall be retained for the duration of the existence of the Company.

Article 16

For the number of shares solicited by solicitor and that of the entrusted proxy, the Company shall prepare a statistical table in the required format and reveal it explicitly at the venue of the shareholders' meeting.

Among the matters relating to the resolutions of a shareholders' meeting, the important information required by law and regulation or the competent authority shall be transmitted by the Company to the

MOPS within the stipulated time limit.

- Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.
The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
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 the company, 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 18 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 extemporary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.
- Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

【Appendix 9】

Shareholdings of Directors

1. Types and total number of shares issued: 114,969,311 ordinary shares.
2. Minimum legally required combined shareholding of all directors: 8,000,000 shares (Note).
3. Minimum legally required combined shareholding of all supervisors: Not applicable (as an audit committee has been set).
4. The number of shares held by all directors has reached the statutory minimum shareholding percentage requirements.
5. Details of shareholding of directors:

Date of suspension of transfer of shares: April 9, 2023

Title	Name	Date elected	Term of office	Number of shares held at the time of election		Shares held as recorded in the register of shareholders on the date of suspension of transfer of shares	
				Number of shares (share)	Shareholding ratio	Number of shares (share)	Shareholding ratio
Chairman	Chung-Ting Chen	2021.08.20	3 years	17,021,971	17.22%	17,559,971	15.27%
Director	Hung-Cheng Chen	2021.08.20	3 years	1,059	0.00%	52,059	0.04%
Director	Shih-Che Chien	2021.08.20	3 years	1,028,350	1.04%	1,065,350	0.93%
Director	Kun-Chin Tsai	2021.08.20	3 years	224,000	0.22%	295,000	0.26%
Independent director	Yung-Yen Chen	2021.08.20	3 years	-	-	-	-
Independent director	Chun-Yao Li	2021.08.20	3 years	-	-	-	-
Independent director	Chang-Hua Lin	2021.08.20	3 years	-	-	-	-
Independent director	Kuo-Hui Ning	2021.08.20	3 years	-	-	-	-
Total number of shares held by all directors				18,275,380	18.48%	18,972,380	16.50%

Note: According to the provisions of Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” if the amount of paid-in capital of the Company is more than NT\$1 billion and less than NT\$2 billion, the total number of registered shares held by all directors shall not be less than 7%. 5. If two or more independent directors are elected, the percentage of shareholding of all directors other than independent directors will be reduced to 80%.

Other Matters Requiring Explanation

1. Impact of the free allotment of shares on the Company’s business performance, earnings per share and return on investment of shareholders:
Explanation: The Company has not made public its financial forecast for the year 2022, and therefore, it is not applicable.
2. There is no difference between the actual allotment of earnings of the year 2021 and the proposal for allotment approved by the original board of directors:
According to JGZLZ No. 0960013218 promulgated by the Financial Supervisory Commission, Executive Yuan, relevant information about disclosure of dividends of employees and remuneration of directors and supervisors is as follows:

Distribution items	Amount of allotment to be discussed by the board of directors (A)	Annual estimate of the expenses recognized (B)	Difference in amount (A-B)	Reason and handling of the difference
Cash dividends of employees	2,577,000	2,577,000	0	None
Stock dividends of employees	0	0	0	None
Remuneration of directors and supervisors	486,000	486,000	0	None

3. Relevant information about shareholders’ proposals
 - (1) According to the provisions of Article 172-1 of the Company Act, the shareholder holding more than 1% of the total shares issued may present proposals of the annual shareholders’ meeting to the Company in writing. However, the number of proposals is limited to one and the proposal is limited to 300 words.
 - (2) The period for the Company to accept the proposals of shareholders at the year’s annual shareholders’ meeting is from March 31 to April 10, 2023, which has been announced at the MOPS.
 - (3) The Company has not received any shareholders’ proposal.