

Stock Code:2611



**Tze Shin International Co., Ltd.**

**2023 Annual Shareholders' Meeting**

**Meeting Handbook**

Notice to readers: This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Type of Meeting: Physical Meeting

Date of Annual Shareholders' Meeting: June 30, 2023

Place: No. 83, Sec. 3, Civic Blvd., Zhongshan Dist., Taipei City, Taiwan  
(MIRAMAR GARDEN TAIPEI HOTEL)

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**Tze Shin International Co., Ltd.**  
**2023 Annual Shareholders' Meeting**  
**Meeting Agenda**

**I.Type of Meeting:** Physical Meeting

**II.Time:** June 30, 2023 (Friday) at 9:00 am.

**Place:** No. 83, Sec. 3, Civic Blvd., Zhongshan Dist., Taipei City, Taiwan  
(MIRAMAR GARDEN TAIPEI HOTEL)

**III.Report the number of shareholders present and the number of voting rights they represent, and announce the official opening of the meeting.**

**IV.Chairperson's speech.**

**V. Matters to be Reported:**

- (I) 2022 Business Report.
- (II) 2022 Audit Committee Report.
- (III) Report on distribution of 2022 director and employee remuneration.
- (IV) Other discussion topics.

**VI.Ratification Topics:**

- (I) Present the 2022 business report and financial statements for ratification.
- (II) Present the 2022 proposal on appropriation for covering losses for ratification.

**VII.Discussion Topics:**

- (I) Submit the amendment to the Articles of Incorporation for discussion.

**VIII.Election Topics:**

Proposal for re-election of the Company's directors upon expiry of their term of office.

**IX.Other Discussion Topics:**

Discussion on acts of compete of directors of the Company.

**X.Extraordinary Motions**

**XI.Adjournment**

# Matters to be Reported

## (I) 2022 Business Report

### Tze Shin International Co., Ltd.

#### Business Report

##### 1. 2022 Business Report

In 2021, the impact of the epidemic has slowed down and the recovery has begun. We were originally expecting that such trend would continue in 2022. However, the unexpected military conflicts broke out between Russia and Ukraine in the first quarter led to a sharp rise in global energy and raw material prices, and China in the second quarter suffered outbreak of the epidemic in its coastal provinces and cities that therefore led to stringent lockdown and control measures, which resulted in another significant impact on the global supply chain, and inflation in Europe and the United States are continuing to expand. In order to curb inflation, the U.S. Federal Reserve has raised interest rates in a large and frequent manner since March, and has started QE tapering since the second half of the year, making the global financial markets become more volatile, and most non-USD currencies depreciate sharply. Moreover, the imported inflationary pressure surged in several countries, making their governments adopt tight monetary policies to suppress it.

For Taiwan, thanks to the appropriate epidemic prevention measures, the impact of epidemics on service industry and domestic demand is not as severe as that of other countries. And since the epidemics caused production bottleneck to global manufacturing, Taiwanese conventional and technology industries have benefited from such situation. Moreover investment from Taiwanese businesspeople after the outbreak of the US-China trade conflicts continue to flow into Taiwan. Driven by trade and investment, Taiwan's economy grew by 3.4% and 6.6% in 2020 and 2021, respectively. For the first two quarters of 2022, it still achieved a performance of 3.72% and 3.05%, respectively. However, since the second quarter, the number of confirmed infected cases of the epidemic in Taiwan began to surge, and the international economy has been affected by the war between Russia and Ukraine and China's epidemic prevention and control measures. Demand in the United States, Europe, and China has declined significantly. Fortunately, the impact of the domestic epidemic has been mitigated, and relevant government measures have been gradually lifted. The performance of domestic consumption and related industries has improved, making the economic support shift from export sales to domestic demand, and the overall performance did not fluctuate too much. In response to the ever-changing international trends and the industry's competitive environment in which the the fittest survive, in addition to rectifying the direction of operation and adjusting the roadmap of operation, the transportation industry continues to create differentiation and provide innovative services, adjust the operation structure of transportation, and provide customers with good transportation quality. With the joint efforts of all colleagues in the construction business, two joint construction projects were obtained in the second half of the year, which will contribute to the Company's future growth significantly.

The operating revenue in 2022 is NT\$729,967 thousand, a decrease of NT\$61,868 thousand from the previous year's 791,835 thousand, a decrease of 7.8%; the operating net loss is NT\$15,903 thousand, a decrease of NT\$15,900 thousand from the previous year's operating net loss of NT\$31,803 thousand; the net income is NT\$245,162 thousand, a decrease of NT\$560,442 thousand from the previous year's net INCOME of NT\$315,280 thousand.

## 2. 2023 Business Plan Overview

As 2023 unfolds, the global economic remains highly volatile and uncertain. In the face of the external environment and highly uncertain economic factors in geopolitics, we are still adhering to the consistent core values and concepts, and continuing to create opportunities for cross-industry cooperation and providing value-added services

In 2023, our construction department will continue to efficiently control the costs, and carefully seek suitable cases for planning and construction to achieve a stable long-term development. In terms of reinvestment, "Miramar Garden Taipei" has experienced the impact of the epidemic and cooperated with government policies to turn itself from epidemic prevention hotel back to the general tourism hotel, and will reopen in late January. It will continue to provide high-quality business travel services to pursue higher operating and profit performance and create the maximum benefits for our shareholders. Thank you all for your long-term support and encouragement.

Chairman: Chun-Fa  
Huang

Managerial Officer:  
Ming-Tan Hsu

Head-Finance &  
Accounting: Chien-I Kao

## **(II) 2022 Audit Committee Report**

### **Audit Committee Report**

It is hereby certified that

The 2022 business report, parent company only financial statements, consolidated financial statements, and proposal for appropriation for covering losses submitted by the board of directors, among which the financial statements have been audited by CPAs Han-Ni Fang and Chao-Yu Chen from Deloitte & Touche, and an audit report has been issued. The above-mentioned documents have been reviewed by the Audit Committee, and it is confirmed that there is no discrepancy. Hence a report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for review.

For

2023 Shareholders' Meeting of Tze Shin International Co., Ltd.

Tze Shin International Co., Ltd.

Convener of the Audit Committee

Sheng-Yu Liang

March 24, 2023

**(III) Report on distribution of 2022 director and employee remuneration.**

1. Article 27 of the Articles of Incorporation states that if the Company has any profits for any fiscal year, it shall allocate 1% as employee remuneration and no more than 1% as director remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders’ meeting.
2. The Company experiences a net loss in 2022, so it will not distribute remuneration of directors and employees.

**(IV) Other discussion topics**

**2022 Report on Receipt of Directors’ Remuneration**

1. Remuneration payment policies, criteria and composition of profit sharing from earnings, procedures to determine profit sharing from earnings, and their interrelations with business performance and future risks:

Item	Explanation
Remuneration policies, standards and packages	<p>I. Fixed expenses of traveling and attendance: Based on the provisions of Article 16-1 of the “Articles of Incorporation”, according to their respective engagement of participation in operation and contribution of individual directors and in consideration of the general market conditions of the industry, directors (including independent directors) will be paid with traveling expenses (also applicable to independent directors), and directors (including independent directors) have not been paid with variable remuneration. Directors who concurrently act as managerial officers shall also be handled in accordance with the regulations on remuneration of managerial officers.</p> <p>II. Remuneration for directors: According to Article 27 of the “Articles of Incorporation”, if there is any profit in a particular year, no more than 1% of such profit shall be distributed as remuneration for directors., which is not applicable to independent directors.</p>

Item	Explanation
Procedures for determining remuneration	<p>I. Based on the survey results of directors' remuneration among the industry at the end of each year and the evaluation results carried out in accordance with the "Guidelines for Assessment of Performance of Board of Directors".</p> <p>II. The results of self-assessment of performance of the board of directors, director members and members of each functional committee all reach good and excellent standards. The assessment items include: 1. Engagement in the Company's operations, 2. Decision-making quality, 3. Responsibility awareness, 4. Continuous education, and 5. Internal control, etc., and only fixed expenses for traveling and attendance will be issued according to the self-assessment results.</p> <p>III. The relevant performance assessment and remuneration rationality of the Company's directors are regularly evaluated and reviewed by the Remuneration Committee and the board of directors every year. In addition to referring to the individual's performance achievement rate and contribution to the Company, the Company's overall operating performance and future risks of the industry, and development trends are also taken into account when reviewing the remuneration system from time to time depending on the actual operating conditions and relevant laws and regulations. Further, after overall consideration of the current corporate governance trend, reasonable remuneration will be distributed to achieve a balance between the Company's sustainable operation and risk control.</p> <p>IV. The actual amount of the director's remuneration distributed shall be determined by the board's meeting after deliberation by the Remuneration Committee.</p>
Correlation with business performance and future risks	<p>The review of payment standards and systems related to the Company's remuneration policies is based on the Company's overall operating conditions as the major consideration. Among the directors' remuneration, only the director's remuneration is based on Article 27 of the "Articles of Incorporation", which stipulates that "If the Company has any profits for any fiscal year, it shall allocate no more than 1% as director remuneration", which is distributed according to a fixed number of weights and shall have a certain correlation with operating performance, but the level of such correlation in terms of risk of future operation is relatively low.</p>



## 2. Remuneration for directors:

Unit: NT\$ thousand

Title	Name	Profit sharing from earnings for directors								Percentage of the sum of A to D in net profit after tax		Profit sharing from earnings for directors who are concurrently employees								Percentage of the sum of A to G in the net profit after tax		Related profit sharing from earnings from investees other than remuneration from the subsidiaries or the parent company				
		Remuneration (A)		Severance Pay/Retirement Allowance (B)		Remuneration of directors (C)		Business execution expenses (D)				Salaries, bonuses, and special expenses (E)		Severance Pay/Retirement Allowance (F)		Remuneration to employees (G)										
		The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company		All firms disclosed in the financial statements		The company	All firms disclosed in the financial statements					
Chairman	Durban Development Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None	
	Representative: Chun-Fa Huang	0	0	0	0	0	0	180	180	180	180	-0.07	-0.07	1,780	1,780	0	0	0	0	0	0	1,960	1,960	-0.75	-0.75	1,960
Director	Representative: Chun-Tsao Huang	0	0	0	0	0	0	180	240	180	240	-0.07	-0.09	0	0	0	0	0	0	0	0	180	240	-0.07	-0.09	180
Vice Chairman	TienPin Development Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None	
	Representative: Ming-Tan Hsu	0	0	0	0	0	0	180	497	180	497	-0.07	-0.19	1,110	1,765	0	0	0	0	0	0	1,290	2,262	-0.50	-0.87	6
Director	Representative: Wei-Te Hsu	0	0	0	0	0	0	180	420	180	420	-0.07	-0.16	0	0	0	0	0	0	0	0	180	420	-0.07	-0.16	None
Independent Director	Sheng-Yu Liang	0	0	0	0	0	0	375	375	375	375	-0.14	-0.14	0	0	0	0	0	0	0	0	375	375	-0.14	-0.14	None
Independent Director	Chui-Ming Peng	0	0	0	0	0	0	335	335	335	335	-0.13	-0.13	0	0	0	0	0	0	0	0	335	335	-0.13	-0.13	None
Independent Director	Jui-Hsiang Huang	0	0	0	0	0	0	305	305	305	305	-0.12	-0.12	0	0	0	0	0	0	0	0	305	305	-0.12	-0.12	None

1. In 2022, the consolidated net loss is NT\$259,843 thousand, and the total remuneration of the Company's directors account for 0.67% of the net loss.

2. Except as disclosed in the above Table, the remuneration received by the directors of the Company in the most recent year for providing services (such as serving as a non-employee consultant of the parent company/all companies in the financial report/reinvested business, etc.): 0.

# Ratification Topics

## Motion 1

[Proposal from Board of Directors]

Subject: Present the Company's 2022 business report and financial statements for ratification.

Description:

- I. The Company's 2022 annual parent only financial statements and consolidated financial statements (see pages 12~32 for details) have been audited by CPAs Han-Ni Fang and Chao-Yu Chen from Deloitte & Touche.
- II. The above-mentioned financial statements and business report (see page 2~3 for details) have been reviewed and completed by the Audit Committee.
- III. Please ratify.

Resolution:

## Motion 2

[Proposal from Board of Directors]

Subject: Present the 2022 proposal on appropriation for covering losses for ratification.

Description:

- I. The Company's unappropriated earnings at the beginning of the period is NT\$317,368,821, plus the accumulated gains and losses of equity investment accounted for under the equity method due to the disposal were transferred to retained earnings as NT\$92,821,565, the remeasured amount of the defined benefit plan is recognized in retained earnings of NT\$1,988,993. Since an amount of NT\$799,056 in retained earnings of investment adjustments using the equity method is confirmed, the net loss in 2022 is NT\$259,843,537, and the surplus for appropriation for the current period is NT\$153,134,898; by considering the Company's future operations and funding needs, it is proposed not to distribute any dividends. (See page 33 for details)
- II. Please ratify.

Resolution:

# Discussion Topics

## **Motion 1**

**[Proposal from Board of Directors]**

Subject: Submit the amendment to the Articles of Incorporation for discussion.

Description:

- I. In accordance with the provisions of the Company Act and the Securities and Exchange Act and the change of the head office from Keelung City to Taipei City, the Company intends to amend some provisions of the “Articles of Incorporation”. Please refer to the comparison table before and after amendment for the amended content. (See pages 34~35 for details)
- II. Please discuss.

Resolution:

# Election Topics

**[Proposal from Board of Directors]**

Subject: Proposal for re-election of the Company’s directors upon expiry of their term of office.

Description:

- I. The term of office of the 13th session of directors of the Company will expire on June 23, 2023. According to Article 195 of the Company Act, a re-election shall be held.
- II. The re-election is carried out in accordance with the Company’s “Procedures for Election of Directors”, and based on the Company’s “Articles of Incorporation”, it is proposed to elect seven directors (including three independent directors) for a term of office of three years.
- III. The 14th session of directors (including independent directors) will take office immediately after election, and the term of office will be from June 30, 2023 to June 29, 2026. The term of office of the 13th session of directors shall end when new directors (including independent directors) are elected during the shareholders’ meeting.
- IV. The election of directors (including independent directors) of the Company adopts a candidate nomination system. After being nominated and approved by the board of directors, shareholders shall elect directors (including independent directors) from the list of candidates. (See page 42~43 for details)
- V. Please elect.

Result:

# Other Discussion Topics

[Proposal from Board of Directors]

Subject: Discussion on acts of compete of directors of the Company.

Description:

- I. According to Article 209 of the Company Act, directors are subject to non-compete restrictions. The directors (including independent directors) of the Company may invest in or operate other companies engaging in the same or similar business scope as the Company for business needs and without prejudice to the interests of the Company, and act as directors (including independent directors) or managerial officers. Hence, it is proposed to the 2023 shareholders’ meeting to approve to lift the non-compete restrictions against the Company’s 14th session of directors (including independent directors) and their representatives upon they take the office. (See page 44 for details)

- II. Please discuss.

Resolution:

# Extraordinary Motions

**Attachment 1:**

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
TZE SHIN INTERNATIONAL CO., LTD.

**Opinion**

We have audited the accompanying financial statements of TZE SHIN INTERNATIONAL CO., LTD, which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

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

**Basis for Opinion**

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

**Key Audit Matters**

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

Key audit matters for Tze Shin International Co., Ltd., the Group's Parent Company Only Financial Statements for the year ended December 31, 2022 are stated as follows:

Income generation

The operating revenue of Tze Shin International Co., Ltd. mainly comes from transportation revenue. Because the operating revenue of this single category has a significant impact on the financial statements of Tze Shin International Co., Ltd. for the current year. Therefore, we recognized the transportation revenue as a key audit matter during the current year's audit. For the accounting policies and relevant disclosure information related to the recognition of transportation revenue, please refer to Note 4 to the Parent Company Only Financial Statements.

We have implemented the main verification procedures for the above key verification items as follows:

1. Understand and test the design and implementation effectiveness of internal controls related to the occurrence of transportation revenue recognition.
2. Select a sample from transportation revenue in 2022 and perform sub-item confirmation tests to check the transaction vouchers and subsequent collections to confirm the transportation revenue.
3. Send the official letter to confirm the balance of the accounts receivable at the end of the year, and implement alternative procedures for those who fail to receive the confirmation reply in time, including checking transaction vouchers and observing the collection status after the period.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the [Regulations Governing the Preparation of Financial Reports by Securities Issuers, [other regulations (please specify),] and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within Tze Shin International Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on Tze Shin International Co., Ltd.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are FANG, HAN-NI and CHEN, CHAO-YU.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 24, 2023

Notice to Readers

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

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

## TZE SHIN INTERNATIONAL CO., LTD.

## Parent Only Balance Sheets

December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash (Notes 4 and 6)	\$ 221,049	9	\$ 777,353	25
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	1,041,745	41	732,789	24
1120	Financial assets measured at fair values through other comprehensive income - current (Notes 4, 8 and 26)	139,900	6	421,246	14
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 26)	100	-	50	-
1150	Net notes receivable (Notes 4, 10, 19 and 25)	2,598	-	1,607	-
1170	Net accounts receivable (Notes 4, 10, 19 and 25)	9,902	-	23,960	1
1180	Accounts receivable - related parties, net	44	-	1,980	-
1200	Other receivables, net (Notes 4.10 and 27)	908	-	3,411	-
1210	Other receivables - related parties (Notes 4, 12 and 25)	8	-	13,596	-
1220	Current income tax assets (Notes 4 and 21)	817	-	1,078	-
1310	Net inventory (Notes IV, 11 and 26)	166,374	7	168,118	5
1479	Other current assets	5,276	-	13,239	-
11XX	Total current assets	<u>1,588,721</u>	<u>63</u>	<u>2,158,427</u>	<u>69</u>
	<b>non-current assets</b>				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	383	-	1,160	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	165,926	7	251,885	8
1550	Investment under equity method (Notes 4 and 12)	341,360	13	412,252	13
1600	Property, plant and equipment (Notes 4, 13 and 26)	169,250	7	181,188	6
1755	Right-of-use assets (Notes 3, 4 and 14)	4,183	-	8,858	-
1760	Investment property (Notes 4, 15, 18 and 26)	30,026	1	30,026	1
1780	Intangible assets (Note 4)	45	-	161	-
1840	Deferred income tax assets (Notes 4 and 21)	69,596	3	71,689	3
1920	Refundable deposits	150,748	6	752	-
1990	Other non-current assets	-	-	1,387	-
15XX	Total non-current assets	<u>931,517</u>	<u>37</u>	<u>959,358</u>	<u>31</u>
1XXX	Total liabilities and equity	<u>\$ 2,520,238</u>	<u>100</u>	<u>\$ 3,117,785</u>	<u>100</u>
	<b>Financial liabilities and equity</b>				
	<b>Current liabilities</b>				
2150	Notes payable	\$ 6,370	-	\$ 9,586	1
2160	Notes payable - related party (Note 25)	-	-	7,865	-
2170	Accounts payable	6,419	-	4,598	-
2180	Accounts payable - related parties (Note 25)	-	-	9,467	1
2200	Other payables (Notes 17 and 25)	17,377	1	33,247	1
2230	Current income tax liabilities (Notes 4 and 21)	-	-	2,586	-
2250	Liability reserves - current (Note 4)	133	-	118	-
2280	Lease liabilities - current (Notes 4 and 14)	2,982	-	3,953	-
2399	Other current liabilities	6,846	1	6,258	-
21XX	Total current liabilities	<u>40,127</u>	<u>2</u>	<u>77,678</u>	<u>3</u>
	<b>Non-current liabilities</b>				
2570	Deferred income tax liabilities (Notes 4 and 21)	11	-	-	-
2580	Lease liabilities - non-current (Notes 4 and 14)	1,111	-	2,013	-
2640	Net defined benefit liabilities (Notes 4 and 17)	5,358	-	7,714	-
2645	Guarantee deposits	175	-	175	-
25XX	Total non-current liabilities	<u>6,655</u>	<u>-</u>	<u>9,902</u>	<u>-</u>
2XXX	Total liabilities	<u>46,782</u>	<u>2</u>	<u>87,580</u>	<u>3</u>
	<b>Equity</b>				
3110	Common stock	1,890,023	75	1,718,202	55
3200	Capital reserve	20,857	1	20,858	1
	Retained earnings				
3310	Legal reserve	309,697	12	272,218	9
3350	Unappropriated earnings	153,135	6	698,489	22
3300	Total retained earnings	<u>462,832</u>	<u>18</u>	<u>970,707</u>	<u>31</u>
3400	Other equity	99,744	4	320,438	10
3500	Treasury shares	-	-	-	-
3XXX	Total Equity	<u>2,473,456</u>	<u>98</u>	<u>3,030,205</u>	<u>97</u>
	Total Liabilities and Equity	<u>\$ 2,520,238</u>	<u>100</u>	<u>\$ 3,117,785</u>	<u>100</u>

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

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance &amp; Accounting: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD.  
Parent Only Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars; Earnings per share (NT\$)

Code		2022		2021	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 19 and 25)	\$ 127,728	100	\$ 169,290	100
5000	Operating cost (Notes 11, 20 and 25)	<u>102,550</u>	<u>80</u>	<u>145,818</u>	<u>86</u>
5950	Gross profit	<u>25,178</u>	<u>20</u>	<u>23,472</u>	<u>14</u>
	Operating expense				
6200	Administrative expenses (Notes 20 and 25)	54,793	43	62,266	37
6450	Expected credit impairment loss (reversal benefit) (Notes 4 and 10)	<u>3,095</u>	<u>2</u>	( <u>90</u> )	<u>-</u>
6000	Subtotal	<u>57,888</u>	<u>45</u>	<u>62,176</u>	<u>37</u>
6900	Net operating loss	( <u>32,710</u> )	( <u>25</u> )	( <u>38,704</u> )	( <u>23</u> )
	Non-operating income and expenses				
7010	Other income (Note 20)	176,486	138	72,956	43
7050	Finance costs	( 118)	-	( 580)	-
7070	Share of profit or loss of subsidiaries and associates accounted for under the equity method (Notes 4 and 12)	5,387	4	( 2,808)	( 2)
7100	Interest income (Note 25)	1,423	1	5,184	3
7590	Other gains and losses (Notes 4, 14 and 20)	( <u>411,698</u> )	( <u>322</u> )	<u>261,029</u>	<u>154</u>
7000	Subtotal	( <u>228,520</u> )	( <u>179</u> )	<u>335,781</u>	<u>198</u>
7900	Net (loss) profit before tax	( 261,230)	( 204)	297,077	175
7950	Income tax (gain) expenses (Notes 4 and 21)	( <u>1,387</u> )	( <u>1</u> )	<u>5,876</u>	<u>3</u>
8000	Net (loss) profit for the current year	( <u>259,843</u> )	( <u>203</u> )	<u>291,201</u>	<u>172</u>

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Code		2021		2021	
		Amount	%	Amount	%
	Other comprehensive income Not to be reclassified to profit or loss in subsequent periods:				
8311	Re-measurement of defined benefit plan (Note 17)	\$ 2,486	2	\$ 494	-
8316	Unrealized valuation gains of investments in equity instruments measured at fair value through other comprehensive income	( 122,538 )	( 96 )	227,719	135
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under the equity method	( 4,535 )	( 4 )	575	-
8349	Income tax related to items not to be reclassified (Note 21)	( 497 )	-	( 99 )	-
8300	Other comprehensive income of the current year	( 125,084 )	( 98 )	228,689	135
8500	Total comprehensive profit and loss for the current year	( \$ 384,927 )	( 301 )	\$ 519,890	307
	Earnings (losses) per share (Note 21)				
9710	Basic	( \$ 1.37 )		\$ 1.54	
9810	Diluted	( \$ 1.37 )		\$ 1.54	

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

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan  
Hsu

Head-Finance & Accounting:  
Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD.  
Parent Only Statement of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

Code		Additional paid-in capital (Note 18)				Retained earnings (Notes 8 and 18)			Other equity Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	Treasury shares (Notes 4 and 18)	Total equity	
		Share capital (Note 18)	Treasury stock trading	Recognition of changes in ownership interests in subsidiaries	Others	Total	Legal reserve	Unappropriated earnings				Total
A1	Balance as of January 1, 2021	\$ 1,729,942	\$ 17,272	\$ 18	\$ 496	\$ 17,786	\$ 272,195	\$ 323,720	\$ 595,915	\$ 175,340	(\$ 8,664)	\$ 2,510,319
	Appropriations and distributions of 2020 earnings											
B1	Legal reserve	-	-	-	-	-	23	( 23 )	-	-	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	( 4 )	( 4 )	-	-	-	-	-	( 4 )
D1	Net of 2021	-	-	-	-	-	-	291,201	291,201	-	-	291,201
D3	Other comprehensive income after tax of 2021	-	-	-	-	-	-	( 782 )	( 782 )	229,471	-	228,689
D5	Total comprehensive profit and loss of 2021	-	-	-	-	-	-	290,419	290,419	229,471	-	519,890
L3	Treasury stock cancelled	( 11,740 )	3,076	-	-	3,076	-	-	-	-	8,664	-
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	84,373	84,373	( 84,373 )	-	-
Z1	Balance as of December 31, 2021	1,718,202	20,348	18	492	20,858	272,218	698,489	970,707	320,438	-	3,030,205
	Appropriations and distributions of 2021 earnings											
B1	Legal reserve	-	-	-	-	-	37,479	( 37,479 )	-	-	-	-
B5	Cash dividends for shareholders	-	-	-	-	-	-	( 171,821 )	( 171,821 )	-	-	( 171,821 )
B9	Stock dividends	171,821	-	-	-	-	-	( 171,821 )	( 171,821 )	-	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	( 1 )	( 1 )	-	-	-	-	-	( 1 )
D1	Net of 2022	-	-	-	-	-	-	( 259,843 )	( 259,843 )	-	-	( 259,843 )
D3	Other comprehensive income after tax of 2022	-	-	-	-	-	-	2,788	2,788	( 127,872 )	-	( 125,084 )
D5	Total comprehensive profit and loss of 2022	-	-	-	-	-	-	( 257,055 )	( 257,055 )	( 127,872 )	-	( 384,927 )
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	92,822	92,822	( 92,822 )	-	-
Z1	Balance as of December 31, 2022	\$ 1,890,023	\$ 20,348	\$ 18	\$ 491	\$ 20,857	\$ 309,697	\$ 153,135	\$ 462,832	\$ 99,744	\$ -	\$ 2,473,456

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

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD.

Parent Only Statement of Cash Flows

January 1 to December 31, 2022 and 2021

Code		2021	Unit: NT\$ thousand 2021
	Cash flows from operating activities		
A00010	Net (loss) profit before tax	(\$ 261,230)	\$ 297,077
	Adjustments to reconcile profit (loss)		
A20100	Depreciation	14,070	15,320
A20200	Amortization expenses	116	178
A20300	Expected credit impairment loss (reversal benefit)	3,095	( 90 )
A20400	Net (gain) loss of financial assets at fair value through profit or loss	439,518	( 211,573 )
A20900	Finance costs	118	580
A21200	Interest income	( 1,423 )	( 5,184 )
A21300	Dividend income	( 169,971 )	( 67,559 )
A22400	Share of profit and loss on subsidiaries and affiliates accounted for using the equity method	( 5,387 )	2,808
A22500	Gains from the disposal and scrap of property, plant, and equipment	( 9,034 )	( 282 )
A22700	Disposal of interests in investment property	-	( 49,342 )
A23200	Disposal of investment gains using the equity method	( 18,752 )	-
A23800	Gains on inventory devaluation and obsolescence recovery	( 11,202 )	( 1,823 )
A29900	Others	( 322 )	-
	Net changes in operating assets and liabilities		
A31130	Notes receivable	( 1,085 )	( 647 )
A31140	Notes receivable - related parties	94	-
A31150	Accounts receivables	14,058	( 4,390 )
A31160	Accounts receivable - related parties	1,936	-
A31180	Other receivables	( 691 )	( 235 )
A31190	Other receivables - related parties	13,588	235,896
A31200	Inventory	12,946	2,226
A31240	Other current assets	7,965	313,616
A32130	Notes payable	( 3,216 )	3,867
A32140	Notes payable - related parties	( 7,865 )	( 35 )
A32150	Accounts payable	1,764	1,077
A32160	Accounts payable - related parties	( 9,410 )	598
A32180	Other payables	( 15,944 )	( 8,997 )
A32190	Other payables - related parties	( 2 )	-
A32230	Other current liabilities	588	( 19,337 )
A32240	Net confirmed benefit debt	131	114
A33000	Cash flow from operations	( 5,547 )	503,863
A33300	Interest paid	( 26 )	( 764 )
A33500	Income tax refunded	668	418
AAAA	Net cash inflow (outflow) from operating activities	( 4,905 )	503,517

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Code		2021	2021
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 210,132)	(\$ 82,938)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	454,899	288,802
B00030	Refunds from decapitalization of financial assets measured at fair value through other comprehensive income	-	28,496
B00040	Acquisition of financial assets at amortized cost	( 50)	-
B00050	Disposal of financial assets measured at amortized cost	-	10,400
B00100	Acquisition of financial assets at fair value through profit or loss	( 1,345,495)	( 651,255)
B00200	Disposal of financial assets at fair value through profit or loss	573,798	557,998
B02300	Net cash inflow from disposal of subsidiaries	73,778	-
B02700	Purchase of property, plant and equipment	( 1,524)	( 67)
B02800	Disposal of property, plant and equipment prices	16,411	2,294
B03700	Increase in refundable deposits	( 149,997)	-
B04500	Acquisition of intangible assets	-	( 50)
B05500	Disposal of investment property prices	-	171,550
B06800	Decrease of other non-current assets	1,387	-
B07500	Interest received	1,523	5,304
B07600	Dividends received	186,690	73,598
B09900	Refund of capital reduction of financial assets measured at fair value through profit or loss	<u>24,000</u>	<u>2,775</u>
BBBB	Net cash generated from (used in) financing activities	<u>( 374,712)</u>	<u>406,907</u>
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	-	( 185,000)
C00600	Decrease in short-term notes payable	-	( 49,939)
C01700	Decrease in long-term loans	-	( 150,000)
C04020	Lease liability principal repayments	( 4,866)	( 10,702)
C04300	Increase of other non-current liabilities	-	10
C04500	Cash dividends paid	( 171,821)	-
C05400	Acquisition of equity in subsidiaries	-	( 26,802)
CCCC	Net cash used in financing activities	<u>( 176,687)</u>	<u>( 422,433)</u>
EEEE	Net (decrease) increase in cash	( 556,304)	487,991
E00100	Cash balance at the beginning of the year	<u>777,353</u>	<u>289,362</u>
E00200	Year-end cash balance	<u>\$ 221,049</u>	<u>\$ 777,353</u>

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

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan  
Hsu

Head-Finance & Accounting:  
Chien-I Kao

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
TZE SHIN INTERNATIONAL CO., LTD.

### Opinion

We have audited the accompanying consolidated financial statements of TZE SHIN INTERNATIONAL CO., LTD and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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

### Basis for Opinion

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

### Key Audit Matters

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

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2022 is stated as follows:



### Operating revenue

Operating revenue is a matter of great concern to the management and investors. The operating income of Tze Shin International Co., Ltd. and its subsidiaries mainly comes from transportation services and the operation of international tourist hotels, among which transportation income accounts for 72% and hence significantly impacts the financial statements of the merged company for this year. Therefore, we listed whether the transportation revenue actually occurred as a key verification item during the audit this year. For the accounting policies and relevant disclosure information related to the recognition of transportation revenue, please refer to Note 4 to the financial statements.

We have implemented the main verification procedures for the above key verification items as follows:

1. Understand and test the design and implementation effectiveness of internal controls related to the occurrence of transportation revenue recognition.
2. Select samples from the transportation revenue in 2022, carry out detailed verification tests, check the transaction vouchers and the subsequent payment situation, and confirm the occurrence of transportation revenue recognition.
3. Send the official letter to confirm the balance of the accounts receivable at the end of the year, and implement alternative procedures for those who fail to receive the confirmation reply in time, including checking transaction vouchers and observing the collection status after the period.

### **Other Matter**

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the [Regulations Governing the Preparation of Financial Reports by Securities Issuers, [other regulations (please specify),] and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China], and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are FANG, HAN-NI and CHEN, CHAO-YU.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 24, 2023

#### Notice to Readers

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

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

## TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

## Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash (Notes 4 and 6)	\$ 347,821	10	\$ 896,679	21
1110	Financial assets measured at fair value through profit or loss - Current statement (Notes 4, 7, 29 and 30)	1,103,396	31	853,475	20
1120	Financial assets measured at fair value through other comprehensive profit or loss - Current statement (Notes 4 and 30)	157,036	4	444,053	11
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 30)	23,800	1	35,250	1
1150	Net notes receivable (Notes 4, 10 and 22)	7,146	-	6,431	-
1160	Notes receivable - related parties (Notes 4, 22 and 29)	34,753	1	46,114	1
1170	Net accounts receivable (Notes 4, 10 and 22)	39,519	1	71,070	2
1180	Accounts receivable - related parties (Notes 4, 22 and 29)	37,367	1	46,233	1
1200	Other receivables, net (Notes 4, 10, 29 and 31)	5,406	-	18,017	-
1210	Other receivables - related parties (Notes 4 and 29)	270	-	-	-
1310	Net inventories (Notes 4, 11 and 30)	166,832	5	169,196	4
1410	Prepayments (Note 29)	19,183	-	33,596	1
1476	Other financial assets - current (Notes 4 and 30)	7,200	-	3,675	-
1479	Other current assets (Notes 4 and 24)	5,221	-	3,433	-
11XX	Total current assets	<u>1,954,950</u>	<u>54</u>	<u>2,627,222</u>	<u>62</u>
	<b>non-current assets</b>				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	383	-	1,160	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	167,587	5	256,341	6
1550	Investments using the equity method (Notes 4 and 13)	-	-	-	-
1600	Property, plant and equipment (Notes 4, 14 and 30)	225,360	6	239,092	6
1755	Right-of-use assets (Notes 4 and 15)	506,851	14	539,342	13
1760	Investment real estate (Notes 4, 16, 21 and 30)	30,026	1	30,026	1
1780	Intangible assets (Notes 4, 17, 30 and 31)	416,257	12	437,093	10
1840	Deferred tax assets (Notes 4 and 24)	96,909	3	99,231	2
1920	Refundable deposits (Note 31)	152,044	4	2,175	-
1975	Net defined benefit assets (Notes 4 and 20)	610	-	-	-
1980	Other financial assets - non-current (Notes 4 and 30)	3,005	-	-	-
1990	Other non-current assets (Notes 30 and 31)	39,865	1	1,842	-
15XX	Total non-current assets	<u>1,638,897</u>	<u>46</u>	<u>1,606,302</u>	<u>38</u>
1XXX	Total liabilities and equity	<u>\$ 3,593,847</u>	<u>100</u>	<u>\$ 4,233,524</u>	<u>100</u>
	<b>Financial liabilities and equity</b>				
	<b>Current liabilities</b>				
2100	Short-term borrowings (Notes 4, 18 and 30)	\$ 130,000	4	\$ 130,000	3
2150	Notes payable	30,470	1	42,058	1
2160	Notes payable - related parties (Note 29)	10,522	-	13,531	-
2170	Accounts payable	22,726	1	28,753	1
2180	Accounts payable - related parties (Note 29)	5,462	-	8,027	-
2200	Other payables (Notes 19 and 29)	79,090	2	118,036	3
2220	Other payables - related parties (Note 29)	41	-	148	-
2230	Income tax liabilities for the current period (Notes 4 and 24)	5,664	-	4,208	-
2280	Lease liabilities - current (Notes 4 and 15)	17,464	1	21,324	-
2320	Long-term loans due within one year (Notes 4, 18 and 30)	10,000	-	-	-
2399	Other current liabilities	15,189	-	26,535	1
21XX	Total current liabilities	<u>326,628</u>	<u>9</u>	<u>392,620</u>	<u>9</u>
	<b>Non-current liabilities</b>				
2540	Long-term loans (Notes 4, 18 and 30)	30,833	1	20,000	1
2570	Deferred tax liabilities (Notes 4 and 24)	11	-	-	-
2580	Lease liabilities - non-current (Notes 4 and 15)	504,763	14	527,279	13
2640	Net defined benefit liabilities (Notes 4 and 20)	5,358	-	8,887	-
2645	Guarantee deposits	175	-	479	-
2670	Other non-current liabilities	11,914	-	12,805	-
25XX	Total non-current liabilities	<u>553,054</u>	<u>15</u>	<u>569,450</u>	<u>14</u>
2XXX	Total liabilities	<u>879,682</u>	<u>24</u>	<u>962,070</u>	<u>23</u>
	<b>Equity attributed to owners of the Company</b>				
3110	Common stock	1,890,023	53	1,718,202	41
3200	Capital reserve	20,857	-	20,858	-
	Retained earnings				
3310	Legal reserve	309,697	9	272,218	6
3350	Unappropriated earnings	153,135	4	698,489	17
3300	Total retained earnings	462,832	13	970,707	23
3400	Other equity	99,744	3	320,438	7
3500	Treasury shares	-	-	-	-
31XX	Total equity of the owner of the Company	<u>2,473,456</u>	<u>69</u>	<u>3,030,205</u>	<u>71</u>
36XX	Non-controlling interests	240,709	7	241,249	6
3XXX	Total Equity	<u>2,714,165</u>	<u>76</u>	<u>3,271,454</u>	<u>77</u>
	<b>Total Liabilities and Equity</b>	<u>\$ 3,593,847</u>	<u>100</u>	<u>\$ 4,233,524</u>	<u>100</u>

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance &amp; Accounting: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars; Earnings per share (NT\$)

Code		2022		2021	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 22 and 29)	\$ 729,967	100	\$ 791,835	100
5000	Operating costs (Notes 11, 23 and 29)	<u>571,803</u>	<u>78</u>	<u>634,531</u>	<u>80</u>
5950	Gross profit	<u>158,164</u>	<u>22</u>	<u>157,304</u>	<u>20</u>
	Operating expense				
6200	Operating expenses (Notes 23, 29 and 31)	170,972	23	189,197	24
6450	Expected credit impairment loss (reversal benefit) (Notes 4 and 10)	<u>3,095</u>	<u>1</u>	( <u>90</u> )	<u>-</u>
6000	Subtotal	<u>174,067</u>	<u>24</u>	<u>189,107</u>	<u>24</u>
6900	Net operating loss	( <u>15,903</u> )	( <u>2</u> )	( <u>31,803</u> )	( <u>4</u> )
	Non-operating income and expenses				
7010	Other income (Notes 23 and 29)	210,036	29	125,322	16
7020	Other gains and losses (Notes 15, 23, 26 and 29)	( 424,133)	( 58)	246,535	31
7050	Financial costs (Note 23)	( 12,603)	( 2)	( 14,932)	( 2)
7060	Loss share of affiliated enterprises using the equity method (Notes 4 and 13)	-	-	( 1,116)	-
7100	Interest income (Note 29)	<u>2,075</u>	<u>-</u>	<u>2,175</u>	<u>-</u>
7000	Subtotal	( <u>224,625</u> )	( <u>31</u> )	<u>357,984</u>	<u>45</u>
7900	Net (loss) profit before tax	( 240,528)	( 33)	326,181	41
7950	Income tax expenses (Notes 4 and 24)	<u>4,634</u>	<u>1</u>	<u>10,901</u>	<u>1</u>
8000	Net (loss) profit for the current year	( <u>245,162</u> )	( <u>34</u> )	<u>315,280</u>	<u>40</u>

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(Cont'd.)		2021		2021	
Code		Amount	%	Amount	%
	Other comprehensive net income				
8310	Not to be reclassified to profit or loss in subsequent periods:				
8311	Remeasurements of defined benefit plans (Note 20)	\$ 4,590	1	(\$ 2,605)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	( 131,004)	( 18)	230,500	29
8349	Income tax related to items that will not be reclassified (Note 24)	( 918)	-	521	-
8300	Other comprehensive income of the current year	( 127,332)	( 17)	228,416	29
8500	Total comprehensive profit and loss for the current year	( \$ 372,494)	( 51)	\$ 543,696	69
	Net (loss) profit attributed to				
8610	Owner of the Company	( \$ 259,843)	( 36)	\$ 291,201	37
8620	Non-controlling interests	14,681	2	24,079	3
8600		( \$ 245,162)	( 34)	\$ 315,280	40
	Comprehensive income attributable to				
8710	Owner of the Company	( \$ 384,927)	( 53)	\$ 519,890	66
8720	Non-controlling interests	12,433	2	23,806	3
8700		( \$ 372,494)	( 51)	\$ 543,696	69
	Earnings (loss) per share (Note 25)				
9710	Basic	( \$ 1.37)		\$ 1.54	
9810	Diluted	( \$ 1.37)		\$ 1.54	

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

Equity attributed to owners of the Company (Notes 8 and 22)

Code		Capital reserve				Retained earnings			Other equity	Non-controlling interests		Total equity		
		Share capital	Treasury shares transaction	Recognition of changes in ownership interests in subsidiaries	Others	Total	Legal reserve	Unappropriated earnings	Total	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	Treasury shares		Total	(Note 22)
A1	Balance as of January 1, 2021	\$ 1,729,942	\$ 17,272	\$ 18	\$ 496	\$ 17,786	\$ 272,195	\$ 323,720	\$ 595,915	\$ 175,340	( \$ 8,664 )	\$ 2,510,319	\$ 213,650	\$ 2,723,969
B1	Appropriations and distributions of 2020 earnings Legal reserve	-	-	-	-	-	23	( 23 )	-	-	-	-	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	( 4 )	( 4 )	-	-	-	-	-	( 4 )	-	( 4 )
D1	Net of 2021	-	-	-	-	-	291,201	291,201	-	-	-	291,201	24,079	315,280
D3	Other comprehensive income after tax of 2021	-	-	-	-	-	( 782 )	( 782 )	229,471	-	-	228,689	( 273 )	228,416
D5	Total comprehensive profit and loss of 2021	-	-	-	-	-	290,419	290,419	229,471	-	-	519,890	23,806	543,696
L3	Treasury stock cancelled	( 11,740 )	3,076	-	-	3,076	-	-	-	8,664	-	-	-	-
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	8,298	8,298
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 4,505 )	( 4,505 )
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	84,373	84,373	( 84,373 )	-	-	-	-	-
Z1	Balance as of December 31, 2021	1,718,202	20,348	18	492	20,858	272,218	698,489	970,707	320,438	-	3,030,205	241,249	3,271,454
B1	Appropriations and distributions of 2021 earnings Legal reserve	-	-	-	-	-	37,479	( 37,479 )	-	-	-	-	-	-
B5	Cash dividends for shareholders of the Company	-	-	-	-	-	( 171,821 )	( 171,821 )	-	-	-	( 171,821 )	-	( 171,821 )
B9	Dividends of common stock	171,821	-	-	-	-	( 171,821 )	( 171,821 )	-	-	-	-	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	( 1 )	( 1 )	-	-	-	-	-	( 1 )	-	( 1 )
D1	Net of 2022	-	-	-	-	-	( 259,843 )	( 259,843 )	-	-	-	( 259,843 )	14,681	( 245,162 )
D3	Other comprehensive income after tax of 2022	-	-	-	-	-	2,788	2,788	( 127,872 )	-	-	( 125,084 )	( 2,248 )	( 127,332 )
D5	Total comprehensive profit and loss of 2022	-	-	-	-	-	( 257,055 )	( 257,055 )	( 127,872 )	-	-	( 384,927 )	12,433	( 372,494 )
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 12,973 )	( 12,973 )
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	92,822	92,822	( 92,822 )	-	-	-	-	-
Z1	Balance as of December 31, 2022	\$ 1,890,023	\$ 20,348	\$ 18	\$ 491	\$ 20,857	\$ 309,697	\$ 153,135	\$ 462,832	\$ 99,744	\$ -	\$ 2,473,456	\$ 240,709	\$ 2,714,165

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Chien-I Kao

## TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

## Consolidated Statement of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

Code		2021	2021
	Cash flows from operating activities		
A00010	Net (loss) profit before tax	( \$ 240,528 )	\$ 326,181
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	53,748	58,460
A20200	Amortization expenses	19,221	34,076
A20300	Expected credit impairment loss (reversal benefit)	3,095	( 90 )
A20400	Net loss (loss) on financial assets at fair value through profit or loss	450,959	( 228,454 )
A20900	Finance costs	12,603	14,932
A21200	Interest income	( 2,075 )	( 2,175 )
A21300	Dividend income	( 174,715 )	( 69,854 )
A22300	Loss share of affiliated enterprises using the equity method	-	1,116
A22500	Net (gain) loss from disposal and retirement of real estate, plant and equipment	( 10,883 )	25,998
A22700	Disposal of interests in investment property	-	( 49,342 )
A22800	Loss of disposal of intangible assets	2,606	44
A23200	Disposal of investment interests in subsidiaries	( 18,752 )	-
A23700	Inventory scrapping loss	18	1
A23800	Price recovery benefit for inventory	( 11,202 )	( 1,823 )
A29900	Others	( 1,906 )	1,226
	Net change in operating assets and liabilities		
A31130	Notes receivable	( 4,471 )	( 2,754 )
A31140	Notes receivable - related parties	11,361	( 5,148 )
A31150	Accounts receivables	22,772	( 20,710 )
A31160	Accounts receivable - related parties	8,866	( 4,682 )
A31180	Other receivables	7,512	( 7,924 )
A31190	Other receivables - related parties	( 270 )	-
A31200	Inventory	13,548	2,047
A31230	Prepayments	9,270	2,650
A31240	Other current assets	( 2,743 )	331,004
A32130	Notes payable	( 11,588 )	8,238
A32140	Notes payable - related parties	( 3,009 )	1,683
A32150	Accounts payable	( 4,876 )	6,829
A32160	Accounts payable - related parties	( 2,565 )	2,617
A32180	Other payables	( 5,723 )	( 57,336 )
A32190	Other payables - related parties	( 107 )	-
A32230	Other current liabilities	( 11,492 )	( 13,460 )
A32240	Net confirmed benefit debt	451	342
A33000	Cash flow generated from operating activities	109,125	353,692
A33300	Interest paid	( 3,286 )	( 15,244 )
A33500	Income tax paid	( 1,208 )	( 245 )
AAAA	Net cash flow generated from operating activities	104,631	338,203

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(Cont'd.)

Code		2021	2021
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 210,132)	(\$ 85,150)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	454,899	288,802
B00040	Acquisition of financial assets at amortized cost	( 50)	( 11,400)
B00050	Disposal of financial assets measured at amortized cost	100	-
B00100	Acquisition of financial assets at fair value through profit or loss	( 1,351,295)	( 662,855)
B00200	Disposal of financial assets at fair value through profit or loss	597,695	570,577
B00300	Acquisition of capital reduction and return of financial assets measured at fair value through other comprehensive income	-	28,496
B02300	Net cash inflow from disposal of subsidiaries	66,341	-
B02700	Purchase of property, plant and equipment	( 43,095)	( 27,368)
B02800	Disposal of property, plant and equipment prices	18,301	610,906
B03700	Increase in refundable deposits	( 150,228)	( 507)
B04500	Acquisition of intangible assets	( 991)	( 3,468)
B05500	Disposal of investment property prices	-	171,550
B06600	Increase in their financial assets	( 6,530)	-
B06700	Other non-current assets (increase) decrease	( 38,478)	775
B07500	Interest received	2,046	2,295
B07600	Dividends received	174,715	69,854
B09900	Refund of capital reduction of financial assets measured at fair value through profit or loss	<u>24,000</u>	<u>2,775</u>
BBBB	Net cash generated from (used in) financing activities	<u>( 462,702)</u>	<u>955,282</u>
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	-	( 596,720)
C00600	Decrease in short-term notes payable	-	( 49,939)
C01600	Increase in long-term loans	25,833	20,000
C01700	Decrease in long-term loans	( 5,000)	( 165,833)
C03000	Decrease (increase) in refundable deposits	( 194)	9
C04020	Lease liability principal repayments	( 26,632)	( 28,041)
C04400	Other non-current liabilities	-	12,805
C04500	Cash dividends paid	( 171,821)	-
C05800	Changes in non-controlling interests	( 12,973)	3,793
CCCC	Net cash used in financing activities	<u>( 190,787)</u>	<u>( 803,926)</u>
EEEE	Net (decrease) increase in cash	( 548,858)	489,559
E00100	Cash balance at the beginning of the year	<u>896,679</u>	<u>407,120</u>
E00200	Year-end cash balance	<u>\$ 347,821</u>	<u>\$ 896,679</u>

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting:  
Chien-I Kao

**Attachment 2:**

**Tze Shin International Co., Ltd.  
Table for Appropriation to Cover Losses  
2022**

	Unit: NTD
Unappropriated earnings at the beginning of the period	\$317,368,821
Add: Disposal of accumulated gains and losses on equity investments measured using other comprehensive gains and losses transferred to retained earnings	92,821,565
Add: Remeasured amount of defined benefit plan recognized in retained earnings	1,988,993
Add: Adjustment of retained earnings due to investment using the equity method	<u>799,056</u>
Adjusted unappropriated earnings	\$412,978,435
Less: Net loss of the current period	(259,843,537)
Less: Contribution to legal reserve (10%)	<u>0</u>
Total earnings for distribution for the period	\$153,134,898
Distributions:	
None	<u>—</u>
Undistributed earnings at the end of the period	<u><u>\$153,134,898</u></u>

Chairman: Chun-Fa  
Huang

Managerial Officer:  
Ming-Tan Hsu

Head-Finance & Accounting:  
Chien-I Kao

**Attachment III:**

**Tze Shin International Co., Ltd.**  
**Comparison of Amendments to Articles of Incorporation**

Articles	Original clauses (June 24, 2020)	Amended clauses (effective on June 30, 2023)	Remarks
Article 3	The headquarter of the Company is located in <b>Keelung City</b> . When necessary, the Company may establish branches at domestic and/or foreign areas with the resolution of the board of directors.	The headquarter of the Company is located in <b>Taipei City</b> . When necessary, the Company may establish branches at domestic and/or foreign areas with the resolution of the board of directors.	Change the location of the headquarter.
Article 9	There shall be two types of shareholders' meetings: General meeting of shareholders and extraordinary general meeting of shareholders. The general meetings of shareholders are held once a year, and shall be convened by the board of directors within six months after the end of each fiscal year. The extraordinary general meeting (EGM) of shareholders are convened whenever necessary.	There shall be two types of shareholders' meetings: General meeting of shareholders and extraordinary general meeting of shareholders. The general meetings of shareholders are held once a year, and shall be convened by the board of directors within six months after the end of each fiscal year. The extraordinary general meeting (EGM) of shareholders are convened whenever necessary. <b><u>The shareholder meetings may be held by teleconferencing or other means announced by the central authority.</u></b>	Paragraph 2 is added according to Article 172-2 of Company Act.
Article 27	If the Company has any profits for any fiscal year, it shall allocate 1% as employee remuneration and no more than 1% as director remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders' meeting. In addition, when employee remuneration is determined by the board of directors to be distributed in shares or cash, the recipients of such remuneration may include employees of affiliates who meet certain conditions. It shall compensate against the Company's cumulative losses (if any), and then the balance shall be allocated for employee and director remuneration in proportion stated in the preceding Paragraph. Should there be net profit after the account is closed, this Company shall first pay the taxes and compensate the deficits before appropriating ten per cent (10%) as the legal reserve. When the accumulative amount of legal reserve equals the amount of the paid-up capital, no legal reserve	If the Company has any profits for any fiscal year, it shall allocate 1% as employee remuneration and no more than 1% as director remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders' meeting. In addition, when employee remuneration is determined by the board of directors to be distributed in shares or cash, the recipients of such remuneration may include employees of affiliates who meet certain conditions. It shall compensate against the Company's cumulative losses (if any), and then the balance shall be allocated for employee and director remuneration in proportion stated in the preceding Paragraph. Should there be net profit after the account is closed, this Company shall first pay the taxes and compensate the deficits before appropriating ten per cent (10%) as the legal reserve. When the accumulative amount of legal reserve equals the amount of the paid-up capital, no legal reserve	Based on the official letter Tai-Zheng-Shang-Yi-Zi No. 1100005637, the method for setting aside special reserve as stipulated in Article 41 of the Securities and Exchange Act has been updated.

Articles	Original clauses (June 24, 2020)	Amended clauses (effective on June 30, 2023)	Remarks
	<p>shall be appropriated. The balance shall be appropriated or reversed as the special reserve by laws. Then it shall be combined to the accumulative unappropriated earnings for the board of directors to draw up a proposal for allocation as dividends submitted to the AGM for ratification.</p> <p>When the Company distributes all or part of the dividends and bonuses or all or part of the statutory reserve and capital surplus in cash in accordance with the provisions of Paragraph 1 of Article 241 of the Company Act, the board of directors is authorized to make resolutions with the attendance of more than two-thirds of the total directors and more than half of the directors present, which shall be submitted to the shareholders' meeting.</p>	<p>shall be appropriated. The balance shall be appropriated or reversed as the special reserve by laws. Then it shall be combined to the accumulative unappropriated earnings for the board of directors to draw up a proposal for allocation as dividends submitted to the AGM for ratification.</p> <p><b><u>When the Company allocates special reserve in accordance with the laws, the shortfall of the “net increase in the fair value of investment real estate accumulated in the previous period” and the “net deduction of other equity interests accumulated in the previous period” shall be, before the distribution of the surplus, covered by allocating the equivalent amount of special reserve from the unappropriated earnings of the previous period. If there is still any insufficient amount, the amount other than the current net income plus the current net income shall be added to the current unappropriated earnings.</u></b></p> <p>When the Company distributes all or part of the dividends and bonuses or all or part of the statutory reserve and capital surplus in cash in accordance with the provisions of Paragraph 1 of Article 241 of the Company Act, the board of directors is authorized to make resolutions with the attendance of more than two-thirds of the total directors and more than half of the directors present, which shall be submitted to the shareholders' meeting.</p>	
Article 29	These Articles of Incorporation were formulated on September 27, 1973, The 1st to 35th amendments (omitted) The 36th amendment on June 24, 2020.	These Articles of Incorporation were formulated on September 27, 1973, The 1st to 35th amendments (omitted) The 36th amendment on June 24, 2020, <b>The 37th amendment on June 30, 2023.</b>	Add the 37th amendment.

**Attachment 4:**

**Tze Shin International Co., Ltd.  
Article of Incorporation**

[Before amendment]

Chapter 1: General

Article 1: The Company is organized in accordance with the provisions of the Company Act and the name of the Company shall be Tze Shin International Co., Ltd.

Article 2: The business items operated by the Company are as follows:

1. G101081 Container Truck Transportation Enterprise.
2. G101061 Automobile Cargo Transportation Business.
3. F212011 Gas Stations.
4. F112010 Wholesale of Gasoline and Diesel Fuel.
5. F212061 Automobile Liquefied Petroleum Gas Stations.
6. H701010 Housing and Building Development and Rental.
7. H701020 Industrial Factory Development and Rental.
8. CC01080 Electronics Components Manufacturing.
9. F119010 Wholesale of Electronic Materials.
10. F219010 Retail Sale of Electronic Materials.
11. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.
12. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures.
13. F113020 Wholesale of Electrical Appliances.
14. F213010 Retail Sale of Electrical Appliances.
15. F401010 International Trade.
16. F111090 Wholesale of Building Materials.
17. F199990 Other Wholesale Trade.
18. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
19. CC01110 Computer and Peripheral Equipment Manufacturing.
20. F113010 Wholesale of Machinery.
21. F213080 Retail Sale of Machinery and Tools.
22. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may conduct mutual guarantee with affiliates or other entities of the same industry according to business needs.

Article 3: The headquarter of the Company is located in Keelung City. When necessary, the Company may establish branches at domestic and/or foreign areas with the resolution of the board of directors.

Article 4: The Company shall disclose information in accordance with Article 28 of the Company Act.

Chapter 2: Shares

Article 5: The total authorized capital of this Company is NTD2,500,000,000) divided into 250,000,000 shares with a par value at NTD10 each. The board of directors is

authorized to issue shares not yet issued by installment.

Article 5-1: When the Company is the shareholder with limited liability of another company, its total investment may not be subject to the restrictions stipulated in Article 13 of the Company Act stating that "... shall not exceed forty percent of the amount of its own paid-up capital," but the amount may be determined by the board of directors of the Company.

Article 6: Shares issued by the Company may be exempted from printing the certificated shares and shall be registered with the Centralized Securities Depository Enterprises.

Article 7: Unless other laws and securities related regulations otherwise require, the Regulations Governing the Administration of Shareholder Services of Public Companies shall apply to stock affairs such as the transfer, mortgage creation, report of loss, succession, transfer as a gift, the report of loss or change of a seal or address change.

Article 8: Changes to the content of the register of shareholders shall be suspended within sixty (60) days prior to the date of the annual general meeting of shareholders, within thirty (30) days prior to the date of an extraordinary general meeting of shareholders, or within five (5) days prior to the day on which dividends, rewards, or any other benefit is scheduled to be paid by this Company.

### Chapter 3: Meeting of Shareholders

Article 9: There shall be two types of shareholders' meetings: General meeting of shareholders and extraordinary general meeting of shareholders. The general meetings of shareholders are held once a year, and shall be convened by the board of directors within six months after the end of each fiscal year. The extraordinary general meeting (EGM) of shareholders are convened whenever necessary.

Article 10: The notice of general meeting of shareholders shall be delivered 30 days before the meeting, and the notice of extraordinary meeting shall be delivered 15 days before the meeting, which shall clearly state the date, location and reason of the meeting for all shareholders.

Article 11: When a shareholder is unable to attend any shareholder meeting for any reason, he/she/it shall issue a power of attorney printed by the Company to specify the scope of authorization, and entrust a proxy to attend the meeting. The procedures shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" stipulated by the competent authority.

Article 12: if the shareholders' meeting is convened by the board of directors, the Chairman shall serve as the chair of the meeting. When the Chairman is absent or unable to exercise the powers for any reason, the Vice-Chairman shall act as the proxy. If both the Chairman and the Vice-Chairman are absent, the Chairman shall designate a director to act as their proxy. When the Chairman fails to designate a

proxy, one of the directors shall be elected to act as the proxy. If the shareholders' meeting is convened by a competent person other than the members of board of directors, such person shall act as the chair. When there are more than two competent persons, one of them shall be elected to serve as the chair.

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

Article 14: Unless the Company Act otherwise requires, a resolution shall be passed with the approval of over half of the votes of shareholders attending the meeting attended by shareholders representing at least half of the total amount of issued shares.

Article 15: Matters relating to the resolutions made by an AGM/EGM shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the meeting chair and a copy distributed to each shareholder within 20 days after the meeting is adjourned.

The preparation, distribution, and archiving of the meeting minutes shall be handled in accordance with Article 183 of the Company Act.

#### Chapter 4: Directors

Article 16: The Company shall have seven to nine directors, of which the number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of directors. The total number of registered shares of the Company held by all directors shall be determined in accordance with the standards stipulated in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the competent authority.

The professional qualifications, stake, concurrent job restrictions, nomination and election method and other matters required for compliance of independent directors shall be subject to the related regulations of the competent authorities of securities.

The election of directors shall adopt the candidate nomination system stipulated in Article 192-1 of the Company Act and shareholders shall select candidates from the list of candidates. Independent directors and non-independent directors shall be elected altogether, but the number of elected persons shall be calculated separately.

The Company has established the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee is composed of all independent directors and is responsible for performing the functions and powers stipulated in the Company Act, Securities and Exchange Act and other laws and regulations.

Article 16-1: The board of directors is authorized to determine the remuneration of directors (including the Chairman) according to the extent of their participation in the Company's operations and the value of their contributions, while taking into account the common industry standards.

Article 17: The term of office of directors shall be three years, and the directors may be re-elected. When a director's term of office expires and it is too late to conduct a re-election, he/she/it shall perform the duties until the time of re-election.

Article 18: The board of directors shall consist of directors. With the attendance of more than two-thirds of the total directors and the resolution of more than half of the directors present, one director shall be elected as the chairman while the other one shall be elected as the vice-chairman. The Chairman shall be the chair of the shareholders' meeting and the board of directors internally, and represents the Company externally. The board meeting notice shall state the reasons for the meeting shall be delivered to all directors seven days in advance. Extra board meetings shall be held whenever necessary. The notice of convening of meeting of the board of directors can be delivered in writing, electronic manner (e-mail) or fax.

Article 19: Unless the Company Act otherwise requires, a board meeting resolution shall be made by the approval of over one half of directors attending a board meeting attended by over one half of all directors.

Article 20: When the chair asks for leave or is unable to exercise the powers for any reason, the designation of the proxy shall be handled in accordance with the provisions of Article 208 of the Company Act.

Directors shall in principle attend the board meeting in person. Anyone of them unable to attend in person may entrust another director as his/her/its proxy. A power of attorney shall be issued for each designation, and the scope of authorization for the reasons for the designation shall be clearly listed, but each director may only be entrusted by one person.

Article 21: The board of directors of the Company may consider the size of the board of directors and the number of independent directors when establishing the Remuneration Committee, the Audit Committee, or any other functional committees. The functional committees shall directly report to the board of directors and submit the proposals to the board of directors for resolution.

The duties, organizational regulations, exercise of powers and other matters to be complied with in the preceding Paragraph shall be handled in accordance with the relevant laws and regulations of the competent authority.

Article 22: The Company may purchase liability insurance for the directors during their term of office, so as to protect the rights and interests of shareholders and mitigate the Company's operating risks.

Article 23: Deleted

## Chapter 5: Officers

Article 24: The Company may have positions of President, Vice-President, Assistant Vice-President, and several officers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.



Article 25: The President shall follow the orders by the board of directors to manage the Company's business. If the President is unable to perform the duties due to certain circumstances, the Vice-President manager shall act as the proxy.

#### Chapter 6 Accounting

Article 26: The Company's fiscal year adopts the calendar year system. The board of directors shall prepare the following tables and submit them to the shareholders' meeting for approval and recognition in accordance with legal procedures.

I. Business report.

II. Financial statements.

III. Proposals for earnings allocation or deficit compensation

Article 27: If the Company has any profits for any fiscal year, it shall allocate 1% as employee remuneration and no more than 1% as director remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders' meeting. In addition, when employee remuneration is determined by the board of directors to be distributed in shares or cash, the recipients of such remuneration may include employees of affiliates who meet certain conditions.

It shall compensate against the Company's cumulative losses (if any), and then the balance shall be allocated for employee and director remuneration in proportion stated in the preceding Paragraph.

Should there be net profit after the account is closed, this Company shall first pay the taxes and compensate the deficits before appropriating ten per cent (10%) as the legal reserve. When the accumulative amount of legal reserve equals the amount of the paid-up capital, no legal reserve shall be appropriated. The balance shall be appropriated or reversed as the special reserve by laws. Then it shall be combined to the accumulative unappropriated earnings for the board of directors to draw up a proposal for allocation as dividends submitted to the AGM for ratification.

When the Company distributes all or part of the dividends and bonuses or all or part of the statutory reserve and capital surplus in cash in accordance with the provisions of Paragraph 1 of Article 241 of the Company Act, the board of directors is authorized to make resolutions with the attendance of more than two-thirds of the total directors and more than half of the directors present, which shall be submitted to the shareholders' meeting.

Article 27-1: In order to meet the needs of diversified business development, robust financial structure and protection of investors' rights and interests, the Company's dividend policy is formulated based on consideration of the its future fund needs and long-term financial planning. Among them, in addition to retaining part of the earnings as the fund for the Company's growth during the distribution of earnings, the distribution proportion of cash dividends shall not be lower than 50% of the total dividends distributed in the current year. The proportion of dividend distribution and cash dividends may depend on the operating capital required by Company and other related circumstances. When the board of directors is authorized to formulate an earnings distribution plan adopting the

method of issuing new shares, such plan may be implemented after being submitted to the shareholders' meeting for resolution and when making distribution in cash. It shall be distributed based the resolution of the board of directors, which shall be submitted to the shareholders' meeting.

#### Chapter 7: Addenda

Article 28: Matters not covered in this Articles of Association shall be handled in accordance with the provisions of the Company Act and other relevant laws.

Article 29: These Articles of Association were formulated on Sept. 27, 1973.

- 1st amendment on Oct. 28, 1973.
- 2nd amendment on Dec. 15, 1973.
- 3rd amendment on Jan. 30, 1974.
- 4th amendment on Oct. 15, 1975.
- 5th amendment on May 31, 1981.
- 6th amendment on Jul. 21, 1981.
- 7th amendment on Dec. 27, 1981.
- 8th amendment on May 1, 1984.
- 9th amendment on Sep. 5, 1985.
- 10th amendment on Mar 13, 1986.
- 11th amendment on Aug. 1, 1987.
- 12th amendment on Jun. 28, 1988.
- 13th amendment on Dec. 1, 1989.
- 14th amendment on Jan 31, 1990.
- 15th amendment on Mar. 10, 1990.
- 16th amendment on Nov. 26, 1990.
- 17th amendment on Apr. 23, 1991.
- 18th amendment on Mar. 22, 1992.
- 19th amendment on May 10, 1995.
- 20th amendment on Dec. 19, 1995.
- 21st amendment on Jun. 11, 1998.
- 22nd amendment on May 27, 1999.
- 23rd amendment on May 25, 2000.
- 24th amendment on May 30, 2001.
- 25th amendment on Jun. 28, 2002.
- 26th amendment on Jun. 18, 2004.
- 27th amendment on Jun. 17, 2005.
- 28th amendment on Jun. 15, 2007.
- 29th amendment on Jun. 19, 2009.
- 30th amendment on Jun. 18, 2010.
- 31st amendment on Jun. 19, 2012.
- 32nd amendment on Jun. 14, 2013.
- 33rd amendment on Jun. 17, 2014.
- 34th amendment on Jun. 16, 2016.
- 35th amendment on Jun. 14, 2019.
- 36th amendment on Jun. 24, 2020.

**Attachment 5:**

**Tze Shin International Co., Ltd.**

**List of candidates for directors (including independent directors)**

Type of Candidate	Name	Education	Experience	Current Positions	Shares held	Legal Person(s) Represented
Director	Chun-Fa Huang	International Trade, Hsing Wu University	Chairman, Durban Development Co., Ltd.	Chairman, Tze Shin International Co., Ltd. Chairman, Durban Development Co., Ltd. Chairman, Mayer Steel Pipe Corporation Chairman, Mayer Inn Corporation Chairman, Mei Kong Development Co., Ltd. Chairman, The Sincere Department Store Ltd. Chairman, Miramar Resort Co., Ltd. Chairman, Du Centre Co., Ltd. Chairman, Ying Shun Construction Co., Ltd. Chairman, Taiwan Ssangyong Co., Ltd. Chairman, Durblin Enterprise Co., Ltd. Director, Miramar Hotel Taipei Co., Ltd. Director, Xing Li Cheng Biomedical Co., Ltd. Director, Yuan Chuan Steel Co. Ltd. Director, SLT Co., Ltd. Director, Taiwan Pioneer Asset Investment Co., Ltd. Supervisor, De Wei Investment Co., Ltd.	6,446,451	Durban Development Co., Ltd.
Director	Ming-Tan Hsu	MBA, University of Kansas, USA	Vice Chairman, Tze Shin International Co., Ltd.	Vice Chairman, Tze Shin International Co., Ltd. Chairman, Miramar Hospitality Co., Ltd. Chairman, Hsin Hai Transportation & Terminal Co., Ltd. Chairman, ACMC Trading Co., Ltd. Director, Miramar Resort Co., Ltd. Director, Yuan Chuan Steel Co. Ltd.	43,791,000	TienPin Development Co., Ltd.
Director	Chun-Tsao Huang	MBA, Department of Information Management, National Taiwan University	General Manager, Athena Information Systems International Co., Ltd.	Chairman, Yu-hung Investment Co., Ltd. Director, Tze Shin International Co., Ltd. Director, Miramar Hospitality Co., Ltd. Director, Mayer Steel Pipe Corporation	6,446,451	Durban Development Co., Ltd.

Type of Candidate	Name	Education	Experience	Current Positions	Shares held	Legal Person(s) Represented
				Director, Athena Information Systems International Co., Ltd. Director, Du Centre Co., Ltd. Director, Miramar Hotel Taipei Co., Ltd. Director, De Wei Investment Co., Ltd. Director, Jun An Information Co., Ltd. Supervisor, Durban Development Co., Ltd. Supervisor, Miramar Resort Co., Ltd. Supervisor, Mei Kong Development Co., Ltd. Supervisor, Yuan Chuan Steel Co. Ltd.		
Director	Wei-Te Hsu	MBA, Washington State University, USA	Director, Tze Shin International Co., Ltd.	Director, Tze Shin International Co., Ltd. Director, Hsin Hai Transportation & Terminal Co., Ltd.	43,791,000	TienPin Development Co., Ltd.
Independent Director	Sheng-Yu Liang	MBA, National Cheng Chi University	Manager, DHL Express Taiwan	Independent Director, Tze Shin International Co., Ltd.	0	
Independent Director	Chui-Ming Peng	Department of Economics, National Taiwan University	Director and Founder of Commercial Times	Independent Director, Tze Shin International Co., Ltd.	0	
Independent Director	Jui-Hsiang Huang	Master, Department of Accounting, National Cheng Chi University	General Manager, Fei Da Enterprise Management Co., Ltd.	Independent Director, Tze Shin International Co., Ltd. Independent Director, Allis Electric Co., Ltd. Independent Director, IBF Securities Co., Ltd. Chairman, Fei Da Enterprise Management Co., Ltd. Director, IVES Optoelectronics Co., Ltd. Supervisor, Faspro Systems Co., Ltd.	0	

Note: The qualifications of the nominees above have been reviewed and approved by the 21st board meeting of the 13th session of the Company on March 24, 2023.

**Attachment 6:**

**Tze Shin International Co., Ltd.**

**List of newly on-board directors (including independent directors) who are applicable to the lifting of non-compete restrictions**

Directors of the Company	Other companies' positions concurrently held	
Director Durban Development Co., Ltd. Representative: Chun-Fa Huang	Durban Development Co., Ltd. Mayer Steel Pipe Corporation Mayer Inn Corporation Mei Kong Development Co., Ltd. The Sincere Department Store Ltd. Miramar Resort Co., Ltd. Du Centre Co., Ltd. Ying Shun Construction Co., Ltd. Taiwan Ssangyong Co., Ltd. Durblin Enterprise Co., Ltd. Miramar Hotel Taipei Co., Ltd. Xing Li Cheng Biomedical Co., Ltd. Yuan Chuan Steel Co. Ltd. Singleton Pharma Logistics Co. Ltd. Taiwan Pioneer Asset Investment Co., Ltd.	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Director Director Director Director Director
Director TienPin Development Co., Ltd. Representative: Ming-Tan Hsu	Miramar Hospitality Co., Ltd. Hsin Hai Transportation & Terminal Co., Ltd. Miramar Resort Co., Ltd. Yuan Chuan Steel Co. Ltd.	Chairman Chairman Director Director
Director Durban Development Co., Ltd. Representative: Chun-Tsao Huang	Yu-hung Investment Co., Ltd. Miramar Hospitality Co., Ltd. Mayer Steel Pipe Corporation Athena Information Systems International Co., Ltd. Du Centre Co., Ltd. Miramar Hotel Taipei Co., Ltd. De Wei Investment Co., Ltd. Jun An Information Co., Ltd.	Chairman Director Director Director Director Director Director Director
Director TienPin Development Co., Ltd. Representative: Wei-Te Hsu	Hsin Hai Transportation & Terminal Co., Ltd.	Director
Independent Director Jui-Hsiang Huang	Allis Electric Co., Ltd. IBF Securities Co., Ltd. Fei Da Enterprise Management Co., Ltd. IVES Optoelectronics Co., Ltd.	Independent Director Independent Director Chairman Director

## **Appendix 1:**

### **Tze Shin International Co., Ltd. Regulations Governing the Shareholders' Meeting**

Amended on August 26, 2021

#### Article 1: Legal Basis

These Regulations Governing the Shareholders' Meeting are formulated in order to establish a good shareholders' meeting governance system, improve the supervisory function, and strengthen the management function of the Company in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies."

Article 2: Except as otherwise provided for by laws, regulations or the Articles of Association, the rules as provided for herein shall be the "Rules of Procedure for Meetings of Shareholders" of this Company.

#### Article 3: Convening and Notice of Shareholders' Meeting

Except as otherwise provided for by law or regulation, this Company's meetings of shareholders shall be convened by the board of directors.

The Company shall prepare the electronic version of the AGM notice, proxy form, and the subject and description of proposals requiring ratification and deliberation and regarding the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) 30 days before the date of an AGM or 15 days before the date of an extraordinary general meeting (EGM) of shareholders. The Company shall also prepare the electronic version of the meeting agenda and supplementary materials and upload them to the MOPS 21 days before the date of an AGM or 15 days before an EGM. In addition, the Company shall make the meeting agenda and supplementary materials of the upcoming AGM/EGM available for collection and review by shareholders at any time 15 days before the meeting date. The meeting agenda and supplementary materials shall also be displayed at the Company and the designated professional shareholder services agent and distributed at the meeting venue.

The reasons for convening an AGM/EMG shall be stated in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be delivered electronically.

The reason for and major description of the election or dismissal of directors; the amendment to the Articles of Association; capital reduction; application for suspension of the public issue; permission for the competition of directors; capitalization of profits; capitalization of reserves; dissolution; merger or demerger of the company or any matter as stated in Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of Securities and Exchange Act and Articles 26-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be stated in the meeting notice and public announcement. None of the above matters shall be raised by an extraordinary motion.

If the reasons for and date of a full re-election of directors, supervisors are stated in the meeting notice, the date of inauguration of new directors shall not be changed by an extraordinary motion or other means in the same meeting after the re-election is completed.

A shareholder holding one per cent or more of the total number of issued shares

may file a proposal to the Company for discussion at the AGM. Each of such shareholders shall file one proposal only. In addition, if a proposal proposed by any shareholder falls under any of the circumstances stated in any or all of the Subparagraphs of Paragraph 4 of Article 172-1 of the Company Act, the board of directors may not accept it as an official proposal. Shareholders may submit suggestive proposals to urge the Company to promote public interests or fulfill social responsibilities. Such proposal shall be limited to one in accordance with the relevant provisions of Article 172-1 of the Company Act and any other suggestive proposals will not be accepted as official proposals.

The Company shall publicly announce the call for shareholder proposals, the form of submission- written or electronic, and the location and time for submission before the date of suspension of stock transfer prior to the AGM. The minimum period for proposal submission shall be ten days. The content of each proposals submitted by shareholders shall be 300 words at maximum, and those exceeding 300 words will not be accepted as official proposals; the proposing shareholder shall attend the general meeting of shareholders in person or entrust others to participate in the discussion of the proposal submitted by him/her/it.

Before the date of issuance of the AGM notice, the Company shall inform the shareholders of the results regarding the filed proposals, and specify the proposals stated in this Article in the meeting notice. In addition, the board shall inform the attendees of the reasons for rejection of the proposals not included in the agenda.

#### Article 4: Entrusting and authorizing proxies to attend the shareholders' meetings

A shareholder may issue a signed power of attorney printed by the Company to specify the scope of authorization and assign a proxy to attend a meeting of shareholders on and for his behalf.

Each shareholder shall issue only one power of assignment to assign only one proxy at each AGM. Shareholders shall deliver the proxy authorization to the Company 5 days before the date of the AGM. When more than one powers of assignment are issued, the one received the earliest shall prevail, unless a declaration is made to retract the previous proxy assignment.

After the power of attorney is delivered to the Company, if the shareholder intends to attend the shareholders' meeting in person or exercise voting rights in writing or electronically, a written notice to revoke the entrustment shall be submitted to the Company two days prior to the convening of the shareholders' meeting concerned; and if the revocation is overdue, the voting rights performed by the authorized proxy shall prevail.

#### Article 5: Principles for determining the location and time of the general meeting of shareholders

The location where the Company's shareholders' meeting is held shall be the location of the Company or a place that is convenient for shareholders to attend and is suitable for holding the shareholders' meeting. The location and time of the meeting shall be determined under fully consideration to the opinions of the independent directors.

#### Article 6: Preparation of register and other relevant documents

The Company shall specify in the meeting notice 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 or their proxies (hereinafter referred to collectively as shareholders) shall attend the AGM with the attendance card, sign-in card, or other certificate of attendance. The Company shall not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by Shareholders. Solicitors soliciting proxy authorization shall also bring their identification documents for verification.

The Company shall provide a register for present shareholders to sign or the present shareholders may hand in a sign-in card in lieu of signing in.

The Company shall deliver the meeting manual, annual report, attendance certificate, comment slips, votes and other meeting materials to the shareholders attending the shareholders' meeting; if there are directors to be elected, the ballots shall be attached.

The "one person for one shareholder" rule shall not apply to the representatives of governmental or corporate shareholders at an AGM. When assigning a corporation as a proxy, however, the "one proxy for one shareholder" rule shall apply.

#### Article 7: The chair of the shareholders' meeting and attendance without voting rights

If the shareholders' meeting is convened by the board of directors, the Chairman shall be the chair of the meeting. When the Chairman is on leave or unable to exercise his/her powers for any reason, the Vice- Chairman shall act as the proxy. If there is no Vice- Chairman or the Vice-Chairman is also on leave or unable to exercise the powers, the Chairman shall appoint a managing director to act as an agent. If there is no managing director, a director shall be designated as the Chairman to act as the proxy. If the Chairman does not designate a proxy, a proxy shall be elected from among the managing directors or the directors.

When a director or the managing director serves as chair mentioned above, he/she shall have held the position for a minimum of six months and understands the financial and business conditions of the Company. The same shall be true for a representative of a legal person director that serves as chair.

It is advisable that the chairperson of the Board chair in person an AGM/EGM convened by the Board and attended by a majority of the directors in person and at least one representative from each functional committee. The attendance shall be recorded in the meeting minutes.

If the shareholders' meeting is convened by a competent person other than the members of board of directors, such person shall act as the chair. When there are more than two competent persons, one of them shall be elected to serve as the chair. The Company may appoint its attorneys, certified public accountants, or related persons to attend an AGM/EGM as guests.

#### Article 8: Evidence of audio or video recording of the shareholders' meetings

The Company, beginning from the time it accepts shareholder attendance registrations, shall make a continuous, uninterrupted audio and video recording of the whole registration process.



Such recordings shall be retained for at least one year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, such recordings shall be retained until the conclusion of the litigation.

Article 9: Calculation number of shares of attendance at shareholders' meetings

Attendance at an AGM/EGM shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated in the register and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

When the meeting starting time has expired, the chair shall immediately announce the official opening of the meeting, as well as announcing relevant information such as the number of non-voting rights and the number of shares held by the persons present.

However, when shareholders representing more than half of the total number of issued shares are not present, the chair may announce the postponement of the meeting. The number of postponement shall not exceed two times, and the total period of all postponement shall not exceed one hour. If there are still not sufficient shareholders representing more than one-third of the total number of issued shares to attend after the second postponement, the chair shall announce the adjournment of the meeting.

If the aforementioned quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be made based on Paragraph 1 of Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another AGM/EGM shall be convened within one month.

When, after the said tentative resolution is made and prior to the meeting conclusion, the attending shareholders represent a majority of the total number of issued shares, the chair may re-submit the tentative resolution for a vote by the AGM/EGM in accordance with Article 174 of the Company Act.

Article 10: Discussion of Proposals

The board shall determine the agenda of an AGM/EGM it convenes. Related proposals (including extraordinary motions and amendments to the original proposals) shall be passed by voting one after another. The meeting shall be proceeded with in accordance with the agenda, which shall not be changed without the AGM/EGM's resolution.

The provisions in the preceding paragraph shall apply mutatis mutandis to an AGM/EGM convened by a party with the convening power outside of the board.

The chair shall not directly adjourn a meeting before completing deliberation of the proposals (including extraordinary motions) set in the agenda as stated in the preceding two paragraphs, except with the AGM/EGM's resolution. If the chair adjourns the meeting in violation of the rules of procedure, the other members of the board of directors shall, based on statutory procedures, timely assist the attending shareholders to elect a new chair based on the agreement of a majority of the votes represented by the attending shareholders to continue with the meeting.

During an AGM/EGM, the chair shall allow ample opportunities to explain and discuss proposals and the amendments or extraordinary motions put forward by shareholders. When the chair reckons that a proposal has been adequately discussed to put it to a vote, the chair may end the discussion, call for a vote, and

arrange sufficient voting time.

#### Article 11: Comments by Shareholders

Before making a comment, an attending shareholder shall state in the comment slip the subject matter of the comment, his/her shareholder account number (or attendance card number) and account name. The chair will arrange the order for the comments.

An attending shareholder submitting a comment without actually commenting shall be considered as no comment. When the content of the comment does not correspond to the subject matter stated in the comment slip, the content of the actual comment shall prevail.

Each shareholder's presentation of comments on one specific proposal shall not exceed two times unless otherwise agreed by the chair and each time of such presentation shall not exceed five minutes. However, if a shareholder's presentation of comments violates the regulations or exceeds the scope of the specific topic, the chair may terminate the presentation of such shareholder.

When an attending shareholder is making a comment, other shareholders shall not interfere with the comment, except with the consent of both the chair and the shareholder making a comment. The chair shall stop any violations.

When a corporate shareholder assigns two or more representatives to attend an AGM/EGM, only one shall comment on the same proposal.

After an attending shareholder finishes a comment, the chair may respond in person or direct relevant personnel to respond to the comment.

#### Article 12: Calculation of voting shares and recusal

Voting at an AGM/EGM shall be calculated based on the number of shares.

The number of shares held by shareholders without voting rights shall not be calculated as part of the total number of issued shares in an AGM/EGM resolution. A shareholder having a suspected conflict of interests with a proposal that may harm the Company's interest shall neither vote for that proposal nor exercise the voting rights as a proxy for any other shareholder.

The number of shares represented by the voting rights that shall not be exercised in accordance with the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

Except for a trust enterprise or a shareholder services agent approved by the competent authorities of securities, when a person is concurrently assigned as a proxy by two or more shareholders, the voting rights represented by such a proxy shall not exceed three percent of the voting rights represented by the total number of issued shares. The voting rights in excess of this percentage shall not be considered in the calculation.

#### Article 13: Proposal voting, scrutiny and ballot counting

Article 15: Each 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 of Article 179 of the Company Act.

When holding an AGM/EGM, the Company shall allow shareholders to exercise voting rights electronically or in writing. When voting rights are exercised by correspondence or electronically, the exercise method shall be stated in the meeting notice. Shareholders exercising voting rights by correspondence or

electronically are deemed to be present at an AGM/EGM in person. However, the extraordinary motions and amendments to the original proposals at the shareholders' meeting shall be deemed as abstentions, hence the Company shall avoid proposing extraordinary motions and amendments to the original proposals. A shareholder intending to exercise voting rights by correspondence or electronically in accordance with the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the AGM/EGM. When more than one declaration of intent is delivered, the one received the earliest shall prevail, except when a declaration is made to retract the earlier declaration of intent.

If, after exercising the voting rights by correspondence or electronically, a shareholder intends to attend the AGM/EGM, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, no later than two days before the date of the AGM/EGM. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronically shall prevail. When a shareholder exercises voting rights both by correspondence or electronically and by assigning a proxy to attend an AGM/EGM, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided for by the Company Act and the Articles of Association of the Company, the voting on proposals shall be passed with the consent of more than half of the voting from the shareholders present. When voting, the chair or the person designated by the chair shall announce the total number of voting rights of the attending shareholders on a case-by-case basis, and the shareholders shall vote on a case-by-case basis, and on the day after the shareholders' meeting, the results of shareholders' approval, objection and abstention shall be entered at 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 on 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 is required.

The scrutiny and ballot counting personnel for voting on proposals shall be designated by the chair, but the scrutiny personnel shall be shareholders.

Vote counting for proposals or elections at the AGM/EGM shall be conducted in public at the meeting venue. Immediately after vote counting, the voting results, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record shall be maintained.

#### Article 14: Election Matters

A directorial election at an AGM/EGM shall be conducted in accordance with the relevant election regulations. The voting results shall be announced on-site immediately, including the names of the directors elected/not elected and the numbers of votes they obtained.

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

#### Article 15: Meeting Minutes and Signatures

Matters relating to the resolutions made by an AGM/EGM shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the meeting chair and a copy distributed to each shareholder within 20 days after the meeting is adjourned. The meeting minutes may be produced and distributed electronically. The Company may distribute the meeting minutes stated in the preceding paragraph by posting them on 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 are adopted, and a summary of the deliberation and voting results (including the statistical weight). When a directorial election is also held, the number of votes of each candidate shall be disclosed. The Company shall retain related records during its existence.

#### Article 16: Public Announcement

On the AGM/EGM day, the Company shall compile in the prescribed format a statistical statement of the number of shares acquired by solicitors through solicitation and the number of shares represented by proxies. The Company shall also make an express disclosure of the same at the meeting venue.

For resolutions of the shareholders' meeting, if there is any material information stated by laws and regulations or Taiwan Stock Exchange, the Company shall transmit the content of such information to MOPS within the specified time.

#### Article 17: Maintaining the Order of the Meeting Venue

Personnel handling the administrative affairs of an AGM/EGM shall wear an identification card or armband.

The chair may direct the proctors or security personnel to help maintain order at the meeting venue. The proctors or security personnel who help maintain order at the meeting venue shall wear an identification card or armband showing the word "Proctor".

If a shareholder attempts to make a comment in the meeting through any devices other than the public address equipment set up by the Company, the chair may stop the shareholder from commenting.

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 to leave the meeting venue.

#### Article 18: Breaktime and Resumption of Meetings

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 proposals (including extraordinary motions) in the meeting agenda have been addressed, the AGM/EGM may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at an AGM/EGM to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: These Regulations shall become effective after being approved by the shareholders' meeting, and the same will apply when being amended.

## Appendix 2:

### **Tze Shin International Co., Ltd. Procedures for Election of Directors**

Amended on June 24, 2020

- Article 1: Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2: The qualifications for the independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- Article 3: Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.  
When the number of directors falls below legal requirements due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, it shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.  
When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- Article 4: 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 5: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 6: 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, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 7: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 8: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered.

Article 9: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 10: 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 the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 11: The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 12: These Procedures shall become effective after being approved by the shareholders' meeting, and the same will apply when being amended.

**Appendix 3: The minimum number of shares held by individual and all directors of the Company and the actual number of shares held**

I. The statutory number of shares held by the current directors of the Company is as follows:

Number of ordinary shares issued by the Company 189,002,272 shares  
 Percentage of statutory number of shares held by all directors 7.50%  
 Statutory number of shares to be held by all directors 14,175,171 shares

II. The actual number of shares held by all directors of the Company is as follows:

Job Title	Name	May 2, 2023 (Book closure date)	
		Shares	Shareholding Ratio (%)
Director	Durban Development Co., Ltd. Representative: Chun-Fa Huang	6,446,451	3.41
Director	Durban Development Co., Ltd. Representative: Chun-Tsao Huang	6,446,451	3.41
Director	TienPin Development Co., Ltd. Representative: Ming-Tan Hsu	43,791,000	23.17
Director	TienPin Development Co., Ltd. Representative: Wei-Te Hsu	43,791,000	23.17
Independent Director	Chui-Ming Peng	0	0.00
Independent Director	Sheng-Yu Liang	0	0.00
Independent Director	Jui-Hsiang Huang	0	0.00
Total of directors		50,237,451	26.58

Note: The actual number of shares held by all directors of the Company complies with Article 26 of the Securities and Exchange Act.



**Appendix 4: The Impact of Stock Dividend Issuance on Business Performance, EPS,  
and Shareholder Return Rate**

The Company did not issue bonus shares this year, hence it is not applicable.

**Appendix 5:**

**Tze Shin International Co., Ltd.**  
**Shareholder Speech Slip for 2023 Shareholders' Meeting**

Dear Shareholder,

Welcome to the Company's 2023 shareholders' meeting. In order to comply with the our shareholders' meeting rules, please write your questions on the following slip and submit them to our service staff. We will have the chair or relevant personnel to answer your questions during the Q&A session.

Thank you for your support.

Account Name: _____
Account Number: _____ (or attendance card number)
Date: June 30, 2023

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I am a shareholder of the Company. I hereby confirm that the gist of my speech at 2023 Shareholders' Meeting is as follows:

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