

Stock Code: 2328



Pan-International Industrial Corp.

2023 Annual General Meeting Meeting Handbook

Date and Time: 9:00 a.m., Friday, June 9, 2023

Location: No. 97, Anxing Rd., Xindian Dist., New Taipei City
(Anxing Plant of the Company)

For the convenience of readers and for information purpose only, the meeting handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version, or any difference in the interpretation between the two versions, the Chinese language meeting handbook shall prevail.

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Pan-International Industrial Corp.

2023 Annual General Meeting Procedure

- I. Report of Number of Shares Represented by
Attending Shareholders
- II. Call the Meeting to Order
- III. Chairman's Remarks
- IV. Report Items
- V. Ratification Items
- VI. Discussion Items
- VII. Election matters
- VIII. Other Proposals
- IX. Extraordinary Motions
- X. Meeting Adjourned

Pan-International Industrial Corp.

2023 Annual General Meeting Meeting Agenda

Convening method: Physical Shareholders Meeting

Time: 9:00 a.m., Friday, June 9, 2023

Location: No. 97, Anxing Rd., Xindian Dist., New Taipei City (Anxing Plant of the Company)

I. Chairman's Remarks:

II. Report Items:

1. 2022 Business Report of the Company.
2. Audit Committee's Review Report on the 2022 Financial Statements.
3. Report on 2022 distribution of remuneration of employees and directors of the Company.
4. Report on 2022 distribution of earnings and cash dividends status.
5. Other report matters.

III. Ratification Items:

1. Adoption of 2022 Business Report and Financial Statements.
2. Proposal for the distribution of earnings in 2022.

IV. Discussion Items:

1. Proposal to amend the Company's "Articles of Incorporation."
2. Proposal to amend the Company's "Rules of Procedure for Shareholders' Meeting."

V. Election matters:

1. Reelection for all directors.

VI. Other proposals:

1. Lifting of the non-compete restrictions for Directors.

VII. Extraordinary Motions.

VIII. Meeting Adjourned.

Report Items

- I. 2022 Business Report of the Company. Proposed for review.

Explanation: Please refer to 2022 Business Report of the Attachments. (Please see page 7 to page 8 of this Handbook)

- II. Audit Committee's Review Report on the 2022 Financial Statements. Proposed for review.

Explanation: Please refer to the Audit Committee's Review Report of the Attachments. (Please see page 11 of this Handbook)

- III. Report on 2022 distribution of remuneration of employees and directors of the Company. Proposed for review.

Explanation: The Company earned NT\$ 1,580,243,954 (before recognition) for FY 2022, including NT\$ 79,012,197 as the remuneration to employees 5% in cash and NT\$ 7,901,220 as 0.5% of the remuneration to directors.

- IV. Report on 2022 distribution of earnings and cash dividends status. Proposed for review.

Explanation:

1. According to the Articles of Incorporation provisions, for cash dividends, the board of directors is authorized to reach a special resolution for distribution, followed by reporting to the shareholders meeting.
2. For shareholders' dividend distribution, cash dividends of NT\$ 725,684,795, and NT\$ 1.4 per share shall be distributed according to the distribution percentage until the cash dividend shall be rounded down. The total of odd lots less than NT\$1 will be transferred to the employees' welfare committee. The Board of Directors is convened to stipulate.

3. If there is a change in the total number of outstanding shares in this proposal and the dividend ratio of shareholders must be adjusted, the board of directors shall adjust and handle the relevant changes.

V. Other report matters.

- Explanation:
1. Pursuant to the provisions of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of issued shares of a company may propose to the company in writing their proposals for a regular meeting and the names of director candidates (including independent director). This proposal was made from March 27, 2023 to April 6, 2023.
 2. Up to the end of the aforementioned proposal acceptance period, the Company receives no proposals or nomination submitted by the shareholders.

Ratification Items

Proposal 1: Adoption of 2022 Business Report and Financial Statements,
Proposed for review.

(Proposed by the Board of Directors)

Explanation: I. The 2022 Business Report and Financial Statements of the Company have been reviewed by the Audit Committee, and the Financial Statements have also been audited and certified by CPA Yung-Chien Hsu and CPA Min-Chuan Feng of Pricewaterhouse Coopers (PwC) Taiwan.

II. For the reports and statements described in the preceding paragraph, please refer to the Attachments. (Please see page 7 to page 8 and page 10 to page 30 of this Handbook).

III. Proposed for ratification.

Resolution:

Proposal 2: Proposal for 2022 earnings distribution. Proposed for ratification.

(Proposed by the Board of Directors)

Explanation: I. The proposal for 2022 earnings distribution table of the Company is as shown in the Attachments. (Please see page 31)

II. Proposed for ratification.

Resolution:

Discussion Items

Proposal 1: Proposal to amend the Company’s “Articles of Incorporation.”
Proposed for deliberation.

(Proposed by the Board of Directors)

Explanation: Revision is proposed for some articles of the Company’s Articles of Incorporation in response to law and regulations amendments. The article revision comparison table is shown in the appendix. (Please see page 32 to 33)

Resolution:

Proposal 2: Proposal to amend the Company’s “Rules of Procedure for Shareholders’ Meeting” Proposed for deliberation.

(Proposed by the Board of Directors)

Explanation: Revision is proposed for some articles of the Company’s Shareholders Meeting Procedure Rules in response to law and regulations amendments. The article revision comparison table is shown in the appendix. (Please see page 34 to 36)

Resolution:

Election matters

Proposal 1: Reelection for all directors. Submitted for election.

(Proposed by the Board of Directors)

- Explanation:
- I. The directors' term of office expires on June 11 this year, and they must be fully re-elected at this year's general shareholders' meeting according to regulations.
 - II. The candidate nomination system shall be adopted to elect 7 directors (including 4 independent directors) for this term. The term of office shall be three years, ranging from June 9, 2023, to June 8, 2026.
 - III. Please see the appendix for a detailed list of candidates for directors (including independent directors). (Please see page 37)
 - IV. The Director Election Procedures are detailed in the appendix (Please see page 43) and are submitted for election.

Election result:

Other Proposals

Proposal 1: Proposal to lift the directors' non-competition restrictions.
Proposed for deliberation.
(Proposed by the Board of Directors)

Explanation: To facilitate the Company to expand its businesses smoothly and according to Article 209 of the Company Act, the following non-competition restrictions for directors shall be lifted when the new directors take office.

Title	Name	Company Name & Concurrent Position
Director	Kuang-Yao Lee	Assistant Vice President of Foxconn Technology Co., Ltd. Institutional director representative of ESON Precision Industry Co., Ltd. Chairman of Shandong Fujikang Intelligent Manufacturing Co., Ltd. Director of Farobot Inc. Director of UniEat Co., Ltd.
	Ying-Shih Huang	Senior Division Chief of Foxconn Technology Co., Ltd. Director of Foxtron Vehicle Technologies Co., Ltd. Institutional director representative of Altus Technology Inc. Institutional director representative of Linker Vision Co.,Ltd. Supervisor of XSemi Corporation

Resolution:

Extraordinary Motions

Meeting Adjourned

Attachments 1

2022 Business Report

China's COVID-19 control policies have caused work stoppages and logistics interruptions in some areas. The disappearance of terminal client demand in the information and communication industries has significantly affected some companies' operations. Fortunately, Pan-International's mainland China factories are not in strict-lockdown areas, and production and sales can maintain normal operations. China has stimulated the automotive market using subsidy policies. The overall automobile production and sales have grown, and the Company's revenue from automotive wiring harnesses has also increased significantly. In addition, the benefit of transshipping orders in Southeast Asia continues, and the regional revenue is still growing. With the help of these two major factors, the annual consolidated revenue is still higher than the previous year. The United States adopted a rapid and strong interest rate hike model in the year's second half to curb inflation, resulting in a sharp appreciation of the U.S. dollar. The relatively depreciated RMB and NTD have boosted profits significantly, creating double-digit growth rates in annual profits. Therefore, both revenue and profit can successfully reach the annual growth target.

In contrast, the demand for 3C products has saturated. In recent years, the automobile industry (especially for new energy vehicle-related products) has been one of the few emerging markets with considerable growth potential. It has become a major competitive field for major electronics manufacturers. Pan-International deployed into this field in 2021 to actively raise revenue from related products and increase the Company's exposure and market share in the industry. In the future, we will prioritize establishing bases in China and Southeast Asia, providing automotive-related product supply and service, and aggressively investing in becoming a first-line subcontractor for automotive wiring harnesses and related products. Moreover, the gross profit margin of automotive products is higher than that of some current 3C products due to the industry's characteristics. Raising the proportion of revenue from automotive products is also consistent with the Company's transformation and upgrading strategy, which can improve the Company's profitability and allow employees and shareholders to share the success.

I. Report on 2022 Operating Outcome:

- (I) The non-consolidated operating revenue was NT\$11.8 billion, a decline of 4.5% from NT\$12.3 billion in 2021.
- (II) The consolidated operating revenue was NT\$26.3 billion in 2022, an increase of 8.4 % from NT\$24.2 billion in 2021.
- (III) The consolidated net profit before tax was NT\$2.06 billion, representing an increase of 32.7 % compared to NT\$1.55 billion in

2021.

- (IV) The consolidated net profit after tax was NT\$1.57 billion, representing an increase of 34.7 % compared to NT\$1.16 billion in 2021.
- (V) The earnings per share (EPS) was NT\$ 2.55.

II. 2023 Business Outlook:

The rapid interest rate hiked by the FED to cool demand and curb inflation, the surge of raw material and crude oil prices as a result of the ongoing Ukraine-Russia war, the tense cross-strait relations, and geopolitical competitions, and the technological competition and bans between the United States and China all have significant impacts on the global economic environment. The economic environment is expected to enter a downward cycle this year. Improving risk awareness, crisis management and control, and organizational resilience will be the key operational initiatives for the year. The Company will respond cautiously while enhancing the R&D capabilities and new energy vehicle product production technologies and actively strive for new business opportunities. The business, production, and marketing policies formulated for the annual development are as follows:

(I) Business Policy:

1. Focus on new energy vehicles and green energy new industries, increase the proportion of revenue, and expand market share.
2. Increase cash positions, reduce AR and inventory levels, and enhance operational resilience to minimize risks.
3. Set ESG-related goals, fulfill social responsibilities and achieve sustainable business operations.

(II) Production and Sale Policy:

1. Establish new production bases, actively seek new clients, increase the revenue ratio of new energy vehicle wiring harnesses and related electronic products, and optimize the Company's overall gross, net, and other profits.
2. Actively develop business prospects in 5G, Cloud, Metaverse, and other related products through cross-industry integration and joint venture models, and expand product breadth to maintain revenue growth stability.
3. Evaluate the geopolitical risk trends; examine manufacturing resources in Taiwan, mainland China, and Southeast Asia; and create production, sales, and logistics models to meet clients' needs while reducing risks.

4. Improve the frequency of AR and inventory reviews, reduce exposure, raise cash position, preserve liquidity to improve risk management, and enhance resilience for continuous operations.
5. Complete the carbon inventory, formulate carbon reduction strategies, complete the Task Force on Climate-Related Financial Disclosures (TCFD) projects, assess the financial impact of climate change, and plan countermeasures.
6. Evaluate and formulate ESG-related policy indicators, invest resources, fulfill corporate social responsibilities, and gradually achieve sustainable business operation goals.

The main operating objectives of the company are to create profits, take care of employees, and give back to shareholders. The Company has also gradually incorporated the ESG norms into its key annual operating policies in response to the ESG development trend. This year, we will invest more resources to improve the system, set implementation goals, review and optimize business strategies, strive to meet the various ESG indicator requirements, and achieve balanced development. The goal is to improve the Company's management and profit-making capabilities, establish an honest management image, continue to lay the century-old brand foundation, and adhere to sustainable management development goals.

Chairman of the Board:
Song-Fa Lu

Managerial Officer:
Song-Fa Lu

Accounting Supervisor:
Feng-An Huang

Attachments 2

Audit Committee Review Report

The Board of Directors has prepared the Company's 2022 business report, financial statements and proposal for the earnings distribution table. The Audit Committee has reviewed the aforementioned documents, and concluded that all information is presented fairly. We hereby submit this report in accordance with the provisions of Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

To:

Pan-International Industrial Corp. 2023 General Shareholders Meeting

Chairman of the Audit Committee: Wen-Jung Cheng

April 18, 2023

Attachments 3

Auditors' Report

(2023) Cai-Shen-Bao-Zi No. 22004012

To Pan-International Industrial Corp.

Audit Opinions

We have audited the Parent Company Only Balance Sheet of Pan-International Industrial Corp. of December 31, 2022 and 2021, and the Parent Company Only Comprehensive Income Statement, Parent Company Only Statement of Changes in Shareholders Equity, the Parent Company Only Statement of Cash Flows, and the Notes to Parent Company Only Financial Statements (including the summary of significant accounting policies) covering the period of January 1 to December 31, 2022 and 2021.

In our opinion, on the basis of the result of our audit and the audit reports presented by other accountants (please refer to additional information section), all the material items prepared in these separate parent company only financial statements are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Therefore, they are able to properly express the separate financial position of Pan-International Industrial Corp. as of December 31, 2022 and 2021, and the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2022 and 2021.

Basis of our opinions

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Parent Company Only Financial Statements. We are independent of Pan-International Industrial Corp. according to the CPA Code of Professional Ethics of the Republic of China, and we have fulfilled our other ethical responsibilities according to these requirements. On the basis of the result of our audit and the audit reports presented by other certified public accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 parent company only financial statements of Pan-International Industrial Corp. in 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters in the 2022 Parent Company Only Financial Statements of Pan-International Industrial Corp. are specified below:

Assessment of the provision for valuation loss on inventory

Description

For information on the accounting policy of valuation of inventory, refer to Note 4 (13) of the Notes to Parent Company Only Financial Statements. The accounting estimate, and the uncertainty of assumption of the valuation of inventory is specified in Note 5 (2) of the Notes to Parent Company Only Financial Statements. The inventory items are specified in Note 6 (3) of the Notes to Parent Company Only Financial Statements. As of December 31, 2022, the balance of inventory and provision for valuation loss for Pan-International Industrial Corp. amounted to NT\$463,527 thousand and NT\$56,334 thousand, respectively. The balance of inventory and provision for evaluation loss as stated in the consolidated financial statements of the same date amounted to NT\$4,067,427 thousand and NT\$173,508 thousand, respectively.

The main product line marketed by Pan-International Industrial Corp. are cables for electronic signals, connectors, PCB and computer peripherals manufactured by subsidiaries. Rapid changes in the technological environment allows for only a short life cycle of the inventory. In addition, the inventory is highly vulnerable to price fluctuations in the market. The result is devaluation due to vfalling prices of inventory, or the risk of phase out is higher. Pan-International Industrial Corp. and its subsidiaries measure the normal sale of inventory using the lower of the cost or the net realizable value. The above provision for the valuation of inventory loss is mainly based on obsolete items or damaged items of inventory. The net realizable value is based on the experience of handling obsolete items of inventory in the estimation. Because the amount of inventory of Pan-International Industrial Corp. and subsidiaries is significant and the inventory covers a great variety of items, it requires human judgment in sorting out the obsolete or damaged items from the inventory. This requires further judgment in the audit. We therefore listed the provision for valuation loss of inventory of Pan-International Industrial Corp. and its subsidiaries as key audit matter.

The appropriate audit procedure

We have conducted the following audit procedures on the provision for valuation loss of obsolete or damaged inventory:

1. Assess to determine if the policies for recognizing the provision for valuation loss of inventory in the financial statement period is consistent and reasonable.
2. Examine if the logic of the system of the inventory aging table for the valuation of inventory used by the management is appropriate, in order to confirm that the information presented in the financial statements is congruent with the policies.

3. Assess to determine if the provision for valuation loss of inventory is reasonable on the basis of the discussion with the management on the valuation of the net realizable value of the obsolete and damaged items of inventory and the supporting documents obtained.

Appropriateness of Non-Standard Accounting Entries

Description

Accounting entries record the daily transactions that have occurred. They form the financial statement item balances and transaction amounts after posting, accumulating, and classifying. The accounting entries of Pan-International Industrial Corp. are mainly classified into two categories: standard entries and non-standard entries. Standard entries are based on the original transactions' operation processes and approval procedures through the front-end subsystems (sales, purchase, production, and inventory systems). The relevant transaction entries are transferred into the general ledger. For non-standard entries, the manual operation mode is used to directly record and approve other non-automatic transfer transactions into the general ledger.

Due to the variety and complexity of non-standard entries, which involve manual work and judgment, inappropriate accounting entries may lead to major financial statement misrepresentations. Therefore, the CPA believes that non-standard accounting entries have high inherent risks. Therefore, testing for non-standard accounting entries is one of the most critical items to check.

The appropriate audit procedure

The audit procedure used and the general summary is specified as follows:

1. Understand and evaluate the nature of non-standard accounting entries as well as the effectiveness of the entry generation process and control and the appropriateness of the division of rights and responsibilities for relevant personnel, including subjects such as inappropriate personnel, time, and accounting.
2. Based on the preceding understanding and evaluation, check the appropriateness of the relevant supporting documents and entries for non-standard entries that were identified as high-risk entries, and ensure they have been established and approved by the responsible personnel.

Other matters - Audits conducted by other certified public accountants

Some of the investee companies of Pan-International Industrial Corp. accounted for under the equity method were presented in the Parent Company Only Financial Statements. We did not audit the financial statements of these companies. These financial statements were audited by other certified public accountants, and we have made adjustments to these financial statements to make them consistent in accounting policy and conducted necessary examination procedures. Therefore, we presented an opinion on the above parent company only financial statements and the amount presented thereof is based on the auditors' report of the other certified public accountants. The investment of the above companies accounted for under the investment by equity method amounted to NT\$2,231,230 thousand and NT\$2,699,707 thousand as of December 31, 2022 and 2021, which accounted for 13% and 16% of the parent company only total assets, respectively. The comprehensive income recognized by the aforementioned companies in the period of January 1 to December 31, 2022 and 2021, amounted to NT\$477,447 thousand and NT\$372,751 thousand, and accounted for 47% and 24% of the parent company only comprehensive incomes, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements.

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

In preparing the parent company only financial statements., management is responsible for assessing the ability of Pan-International Industrial Corp. to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless management either intends to liquidate Pan-International Industrial Corp. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Pan-International Industrial Corp.

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

Our objectives are to obtain reasonable assurance whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in standalone financial statements will be detected. Misstatements can arise from fraud or error. These are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. We also:

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within Pan-International Industrial Corp. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the separate audit, and we are responsible for forming an audit opinion on the parent company only financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of Pan-International Industrial Corp. in 2022 and therefore are 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.

PwC Taiwan

Yung-Chien Hsu
Independent Auditors
Min-Chuan Feng

Former Financial Supervisory Commission, Executive Yuan
Approval No.: (1995)Tai-Cai-Cheng-VI No. 13377
Former Securities and Futures Bureau, Financial
Supervisory Commission, Executive Yuan
Approval No.: Jin-Guan-Cheng-VI-Zi No. 0960038033

March 14, 2023

Pan-International Industrial Corp.
Parent Company Only Balance Sheet
December 31, 2022 and 2021

Unit: NTD thousand

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6 (1)	\$ 1,675,829	9	\$ 1,570,109	9
1170	Net accounts receivable	6 (2)	1,006,522	6	1,035,702	6
1180	Accounts receivable - Related parties	7				
	net		2,389,378	14	1,783,997	10
1200	Other receivables	7	74,437	-	76,087	1
130X	Inventory	6 (3)	407,193	2	1,222,102	7
1479	Other current assets -others		1,604	-	2,315	-
11XX	Total current assets		<u>5,554,963</u>	<u>31</u>	<u>5,690,312</u>	<u>33</u>
Non-Current Assets						
1517	Financial assets measured at fair value through other comprehensive income - Non-current	6 (4)	895,629	5	1,694,849	10
1550	Investment by equity method	6 (5)	11,080,716	63	9,715,551	57
1600	Property, plant, and equipment	6 (6)	17,918	-	17,980	-
1760	Net investment property	6 (7)	33,931	-	34,151	-
1840	Deferred tax assets	6 (20)	18,794	-	18,076	-
1900	Other non-current assets	6 (10)	79,646	1	48,649	-
15XX	Total Non-Current Assets		<u>12,126,634</u>	<u>69</u>	<u>11,529,256</u>	<u>67</u>
1XXX	Total Assets		<u>\$ 17,681,597</u>	<u>100</u>	<u>\$ 17,219,568</u>	<u>100</u>

(To be Continued)

Pan-International Industrial Corp.
Parent Company Only Balance Sheet
December 31, 2022 and 2021

Unit: NTD thousand

LIABILITIES AND EQUITY	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liability						
2100	Short-term borrowings	6 (8)	\$ 1,366,595	8	\$ 553,600	3
2130	Contractual liabilities - Current	6 (15)	148,107	1	628,363	4
2170	Accounts payable		740,457	4	1,484,688	9
2180	Accounts payable - Related parties	7	1,876,226	10	1,633,370	9
2200	Other payables	6 (9)	305,202	2	184,233	1
2230	Current tax liabilities	6 (20)	134,823	1	144,503	1
2399	Other current liabilities - Other		536	-	555	-
21XX	Total current liabilities		<u>4,571,946</u>	<u>26</u>	<u>4,629,312</u>	<u>27</u>
Non-current liabilities						
2570	Deferred tax liabilities	6 (20)	205,200	1	165,104	1
2640	Net defined benefit liabilities- noncurrent	6 (10)	-	-	8,624	-
2670	Other noncurrent liabilities - others		5,386	-	5,186	-
25XX	Total non-current liabilities		<u>210,586</u>	<u>1</u>	<u>178,914</u>	<u>1</u>
2XXX	Total liabilities		<u>4,782,532</u>	<u>27</u>	<u>4,808,226</u>	<u>28</u>
interests						
Share capital						
3110	Common share capital	6 (11)	5,183,462	29	5,183,462	30
Capital surplus						
3200	Capital surplus	6 (12)	1,503,606	9	1,503,606	8
Retained earnings						
3310	Legal reserve	6 (13)	1,269,138	7	1,138,619	7
3320	Special reserve		1,072,435	6	1,349,724	8
3350	Undistributed earnings		5,255,632	30	4,308,365	25
Other equities						
3400	Other equities	6 (14)	(1,385,208)	(8)	(1,072,434)	(6)
3XXX	Total equity		<u>12,899,065</u>	<u>73</u>	<u>12,411,342</u>	<u>72</u>
Significant Contingent Liabilities and Unrecognized Commitments						
3X2X	Total liabilities and equity		<u>\$ 17,681,597</u>	<u>100</u>	<u>\$ 17,219,568</u>	<u>100</u>

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman:
Song-Fa Lu

Manager:
Song-Fa Lu

Accounting supervisor:
Feng-An Huang

Pan-International Industrial Corp.
Parent Company Only Comprehensive Income Statement
January 1 to December 31, 2022 and 2021

Unit: NTD thousand
(except in NTD for earnings per share)

	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	6 (15) and 7	\$ 11,756,687	100	\$ 12,351,637	100
5000	Operating cost	6 (13) (18) and 7	(11,148,371)	(95)	(11,514,764)	(93)
5900	Operating profit margin		<u>608,316</u>	<u>5</u>	<u>836,873</u>	<u>7</u>
	Operating expenses	6 (18)				
6100	Selling and marketing expenses		(80,414)	(1)	(85,978)	(1)
6200	General and administrative expenses		(64,318)	-	(58,933)	(1)
6300	Research and development expenses		(17,255)	-	(13,935)	-
6450	Expected credit impairment benefit (loss)	12 (2)	1,861	-	(1,937)	-
6000	Total operating expenses		(160,126)	(1)	(160,783)	(2)
6900	Operating profit		<u>448,190</u>	<u>4</u>	<u>676,090</u>	<u>5</u>
	Non-operating income and expense					
7100	Interest income		8,442	-	6,276	-
7010	Other income	6 (16)	95,413	1	34,743	-
7020	Other gains and losses	6 (17)	(4,037)	-	7,488	-
7050	Financial costs	6 (19)	(20,846)	-	(5,302)	-
7070	The proportion of income from subsidiaries, associates, and joint ventures accounted for under the equity method		966,168	8	427,452	4
7000	Total non-operating income and expenses		<u>1,045,140</u>	<u>9</u>	<u>470,657</u>	<u>4</u>
7900	Net income before tax		<u>1,493,330</u>	<u>13</u>	<u>1,146,747</u>	<u>9</u>
7950	Income tax expense	6 (20)	(171,040)	(2)	(179,515)	(1)
8200	Net income for the period		<u>\$ 1,322,290</u>	<u>11</u>	<u>\$ 967,232</u>	<u>8</u>
	Other comprehensive income (net)					
	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasured value of defined benefit plan	6 (10)	\$ 6,740	-	\$ 714	-
8316	Unrealized evaluation profit and loss of equity instrument investment measured at fair value through other comprehensive income	6 (14)	(720,650)	(6)	470,002	4
8330	The other comprehensive income from subsidiaries, associates, and joint ventures accounted for under the equity method- items not reclassified as income	6 (21)	13,741	-	341,559	3
8349	Income tax related to items not reclassified	6 (20)	(1,349)	-	(143)	-
8310	Total of items not reclassified to profit or loss		(701,518)	(6)	812,132	7
	Items that may be reclassified subsequently to profit or loss:					
8361	Currency translation difference	6 (14)	<u>395,292</u>	<u>4</u>	(197,527)	(2)
8360	Total of items that may be reclassified subsequently to profit or loss:		<u>395,292</u>	<u>4</u>	(197,527)	(2)
8300	Other comprehensive income (net)		<u>(\$ 306,226)</u>	<u>(2)</u>	<u>\$ 614,605</u>	<u>5</u>
8500	Total comprehensive income in the current period		<u>\$ 1,016,064</u>	<u>9</u>	<u>\$ 1,581,837</u>	<u>13</u>
	Earnings per share (EPS)	6 (22)				
9750	Basic earnings per share		\$ 2.55		\$ 1.87	
9850	Diluted earnings per share		\$ 2.54		\$ 1.86	

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman:
Song-Fa Lu

Manager:
Song-Fa Lu

Accounting supervisor:
Feng-An Huang

Pan-International Industrial Corp.
Parent Company Only Statement of Changes in Shareholders Equity
January 1 to December 31, 2022 and 2021

Unit: NTD thousand

	Note	Capital surplus			Retained earnings			Other equities			Total Equity
		Common share capital	Capital reserve - Issuance premium	Capital reserve - Treasury share transaction	Capital reserve - difference between the price and face value from the acquisition or disposal of equity with subsidiaries.	Legal reserve	Special reserve	Undistributed earnings	Currency translation difference	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	
<u>2021</u>											
January 1		\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,062,342	\$ 1,312,274	\$ 3,453,829	(\$ 1,163,132)	(\$ 186,592)	\$ 11,165,789
Net income for the period		-	-	-	-	-	-	967,232	-	-	967,232
Other comprehensive income recognized for the period	6 (14) (21)	-	-	-	-	-	-	1,128	(197,527)	811,004	614,605
Total comprehensive income in the current period		-	-	-	-	-	-	968,360	(197,527)	811,004	1,581,837
Earnings distribution and provisions for 2020:	6 (13)										
Provision of legal reserve		-	-	-	-	76,277	-	(76,277)	-	-	-
Provision of special reserve		-	-	-	-	-	37,450	(37,450)	-	-	-
Cash dividends		-	-	-	-	-	-	(336,925)	-	-	(336,925)
The invested company's capital reduction refund exceeded the book value		-	-	-	-	-	-	641	-	-	641
Equity instruments measured at fair value through other comprehensive income	6 (14)	-	-	-	-	-	-	336,187	-	(336,187)	-
December 31		\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,138,619	\$ 1,349,724	\$ 4,308,365	(\$ 1,360,659)	\$ 288,225	\$ 12,411,342
<u>2022</u>											
January 1		\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,138,619	\$ 1,349,724	\$ 4,308,365	(\$ 1,360,659)	\$ 288,225	\$ 12,411,342
Net income for the period		-	-	-	-	-	-	1,322,290	-	-	1,322,290
Other comprehensive income recognized for the period	6 (14) (21)	-	-	-	-	-	-	6,548	395,292	(708,066)	(306,226)
Total comprehensive income in the current period		-	-	-	-	-	-	1,328,838	395,292	(708,066)	1,016,064
Earnings distribution and provisions for 2021:	6 (13)										
Provision of legal reserve		-	-	-	-	130,519	-	(130,519)	-	-	-
Reversal of special reserve		-	-	-	-	-	(277,289)	277,289	-	-	-
Cash dividends		-	-	-	-	-	-	(518,346)	-	-	(518,346)
The invested company's capital reduction refund exceeded the book value		-	-	-	-	-	-	41	-	-	41
All changes in the subsidiaries' equities are recognized		-	-	-	-	-	-	(10,036)	-	-	(10,036)
December 31		\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,269,138	\$ 1,072,435	\$ 5,255,632	(\$ 965,367)	(\$ 419,841)	\$ 12,899,065

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman:
Song-Fa Lu

Manager:
Song-Fa Lu

Accounting supervisor:
Feng-An Huang

Pan-International Industrial Corp.
Parent Company Only Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: NTD thousand

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Income before income tax		\$ 1,493,330	\$ 1,146,747
Adjustments			
income and expenses items			
Depreciation expenses and amortizations	6 (18)	643	1,403
Provision for anticipated credit impairment loss (gain on reversal)	12 (2)	(1,861)	1,937
Net benefits of financial assets and liabilities measured at fair value through the income	6 (17)	(2,680)	(11,188)
Interest expense	6 (19)	20,846	5,302
Interest income		(8,442)	(6,276)
Dividend income	6 (16)	(87,254)	(25,200)
The proportion of income from subsidiaries, associates, and joint ventures accounted for under the equity method		(966,168)	(427,452)
Unrealized exchange loss (gain)	6 (23)	82,895	(29,160)
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Financial assets and liabilities measured at fair value through the income		2,680	-
Net accounts receivable		35,382	(98,782)
Accounts receivable - Related parties net		(605,620)	(294,196)
Inventory		814,909	(1,065,828)
Other receivables		4,692	97,204
Other current assets		711	(7,200)
Net change in liabilities related to operating activities			
Accounts payable		(744,230)	822,815
Accounts payable - Related parties		242,855	333,572
Other payables		117,039	(7,034)
Contractual liabilities		(480,256)	586,077
Cash (outflow) inflow from operations		(80,529)	1,022,741
Income tax paid		(142,691)	(85,841)
Net cash inflow (outflow) from operating activities		(223,220)	936,900
<u>Cash flows from investing activities</u>			
Decrease of funds lend to related parties		-	284,800
Return of investment shares using the investment by equity method		-	110,000
Refund of capital investment in financial assets measured at fair value through other comprehensive income		78,570	9,060
Share capital returned from liquidation of the investee company		41	-
Purchase of property, plant and equipment	6 (6)	(216)	(88)
Increase in receivables from material procurement on behalf of a third party		(7,144)	(6,804)
Interest received		8,442	6,276
Dividend received		87,254	25,200
Acquisition of financial assets at fair value through profit or loss		-	(1,902)
Disposal of financial assets at fair value through profit or loss		-	5,846
Increase in other non-current assets		(28,915)	(48,687)
Net cash inflow from investment activities		138,032	383,701
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6 (23)	730,100	(784,280)
Interest paid		(20,846)	(5,302)
Cash dividend payment	6 (13)	(518,346)	(336,925)
Net cash inflow (outflow) from financing activities		190,908	(1,126,507)
Increase in cash and cash equivalents in the current period		105,720	194,094
Cash and cash equivalents at the beginning of the period		1,570,109	1,376,015
Cash and cash equivalents at the end of the period		\$ 1,675,829	\$ 1,570,109

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman:
Song-Fa Lu

Manager:
Song-Fa Lu

Accounting supervisor:
Feng-An Huang

Auditors' Report

(2023) Cai-Shen-Bao-Zi No. 22004992

To Pan-International Industrial Corp.

Audit Opinions

We have audited the consolidated balance sheet of December 31, 2022 and December 31, 2021, the consolidated comprehensive income sheet, consolidated statement of changes in equity, consolidated statement of cash flows from January 1 to December 31, 2022 and 2021, and the notes to the consolidated financial statements (including the summary of material accounting policies) of Pan-International Industrial Corp. and its subsidiaries (hereinafter "Pan-International Group").

In our opinion, based on the result of our audit and the audit reports presented by other accountants (please refer to additional information section), all the material items prepared in these consolidated financial statements are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and interpretation announcements recognized and promulgated by the Financial Supervisory Commission (FSC). Therefore, they are able to properly express the consolidated financial status of Pan-International Group in 2022 and as of December 31, 2021, and the consolidated financial performance and consolidated cash flows in 2022 and from January 1 2021 to December 31, 2021.

Basis of our opinions

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements. We are independent of Pan-International Group in accordance with the CPA Code of Professional Ethics of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. On the basis of the result of our audit and the audit reports presented by other certified public accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the Group in 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the year 2022 of Pan-International Group are as follows:

Assessment of the provision for valuation loss on inventory

Description

For additional information on the accounting policy of inventory valuation, refer to Note 4 (14) of the consolidated financial statements. For information on the uncertainty of accounting estimates and assumptions for inventory valuation, refer to Note 5 (2) of the consolidated financial statements. For a description of the inventory items, refer to Note 6 (4) of the consolidated financial statements. As of December 31, 2022, Pan-International Group recognized inventory loss and provision for valuation loss of inventory amounting to NT\$4,067,427 thousand and NT\$173,508 thousand, respectively.

Pan-International Group mainly produces cables for electronic signals, connectors, PCB and computer peripherals manufactured by subsidiaries. Rapid changes in the technological environment allow for only a short life cycle of the inventory. In addition, the inventory is highly vulnerable to price fluctuations in the market. The result is devaluation due to falling prices of inventory, or the risk of phase out is higher. Pan-International Group measures the normal sale of inventory using the lower of the cost or the net realizable value. The above provision for the valuation of inventory loss is mainly based on obsolete items or damaged items of inventory. The net realizable value is based on the experience of handling obsolete items of inventory in the estimation. Because the amount of inventory of Pan-International Group is significant and the inventory covers a great variety of items, it requires human judgment in sorting out the obsolete or damaged items from the inventory. This requires further judgment in the audit. We therefore listed the provision for valuation loss of inventory of Pan-International Group as key audit matter.

The appropriate audit procedure

We have conducted the following audit procedures on the provision for valuation loss of obsolete or damaged inventory:

1. Assess to determine if the policies for recognizing the provision for valuation loss of inventory in the financial statement period is consistent and reasonable.
2. Examine if the logic of the system of the inventory aging table for the valuation of inventory used by the management is appropriate, in order to confirm that the information presented in the financial statements is congruent with the policies.
3. Assess to determine if the provision for valuation loss of inventory is reasonable on the basis of the discussion with the management on the valuation of the net realizable value of the obsolete and damaged items of inventory and the supporting documents obtained.

Appropriateness of Non-Standard Accounting Entries

Description

Accounting entries record the daily transactions that have occurred. They form the financial statement item balances and transaction amounts after posting, accumulating, and classifying. The accounting entries of Pan-International Group are mainly classified into two categories: standard entries and non-standard entries. Standard entries are based on the original transactions' operation processes and approval procedures through the front-end subsystems (sales, purchase, production, and inventory systems). The relevant transaction entries are transferred into the general ledger. For non-standard entries, the manual operation mode is used to directly record and approve other non-automatic transfer transactions into the general ledger.

Due to the variety and complexity of non-standard entries, which involve manual work and judgment, inappropriate accounting entries may lead to major financial statement misrepresentations. Therefore, the CPA believes that non-standard accounting entries have high inherent risks. Therefore, testing for non-standard accounting entries is one of the most critical items to check.

The appropriate audit procedure

The audit procedure used and the general summary is specified as follows:

1. Understand and evaluate the nature of non-standard accounting entries as well as the effectiveness of the entry generation process and control and the appropriateness of the division of rights and responsibilities for relevant personnel, including subjects such as inappropriate personnel, time, and accounting.
2. Based on the preceding understanding and evaluation, check the appropriateness of the relevant supporting documents and entries for non-standard entries that were identified as high-risk entries, and ensure they have been established and approved by the responsible personnel.

Additional information - audits conducted by other auditors

Some of the investee companies of Pan-International Group accounted for under the equity method were presented in the consolidated financial statements. We did not audit the financial statements of these companies. These financial statements were audited by other certified public accountants, and we have made adjustments to these financial statements to make them consistent in accounting policy and conducted necessary examination procedures. Therefore, the opinions on the aforementioned consolidated financial statements regarding the amount presented in the aforementioned financial statements of these companies before adjustment were based on the Auditors' Report of other certified public accountants. The total assets of the aforementioned companies (including the investment by equity method) as of December 31, 2022 and 2021, amounted to NT\$6,461,095 thousand and NT\$6,473,851 thousand, respectively, accounting for 25% and 27% of the consolidated total assets, respectively. Revenue for the years ended December 31, 2022 and 2021, amounted to NT\$7,918,143 thousand and NT\$7,356,134 thousand, respectively, accounting for 30% and 30% of the consolidated net operating revenue, respectively.

Additional information - Issuance of Auditors' Report on Parent Company Only Financial Statements

Pan-International Industrial Corp. has prepared the parent company only financial statements of 2022 and 2021. We have audited these statements and issued an unqualified opinion and additional information. Auditors' Reports issued by other accountants are on record for reference.

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, the IFRS, IAS, IFRIC and SIC recognized and promulgated by the FSC and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Pan-International Group.

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

Our objectives are to obtain reasonable assurance whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in the Consolidated Financial Statements will be detected. Misstatements can arise from fraud or error. These 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.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. We also:

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

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 of Pan-International Group in 2022 and therefore are 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.

PwC Taiwan

Yung-Chien Hsu
Independent Auditors
Min-Chuan Feng

Former Financial Supervisory Commission, Executive Yuan
Approval No.: (1995)Tai-Cai-Cheng-VI No. 13377
Former Securities and Futures Bureau, Financial
Supervisory Commission, Executive Yuan
Approval No.: Jin-Guan-Cheng-VI-Zi No. 0960038033

March 14, 2023

Pan-International Industrial Corp. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NTD thousand

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6 (1)	\$ 6,713,571	27	\$ 6,241,785	26
1110	Financial assets at FVTPL - Current	6 (2)	10,239	-	11,336	-
1150	Net notes receivable	6 (3)	35,075	-	5,707	-
1170	Net accounts receivable	6 (3)	3,555,291	14	2,917,801	12
1180	Accounts receivable - Related parties net	7	4,173,927	16	3,305,089	13
1200	Other receivables	6 (5)	742,484	3	706,222	3
130X	Inventory	6 (4)	3,893,919	15	4,852,387	20
1470	Other current assets	8	126,203	1	267,069	1
11XX	Total Current Assets		<u>19,250,709</u>	<u>76</u>	<u>18,307,396</u>	<u>75</u>
Non-Current Assets						
1517	Financial assets measured at fair value through other comprehensive income - Non-current	6 (5)	1,752,355	7	2,406,698	10
1550	Investment by equity method	6 (6) and 8	733,731	3	742,334	3
1600	Property, plant, and equipment	6 (7) and 8	2,686,495	11	2,152,912	9
1755	Right-of-use assets	6 (8) and 8	385,399	1	319,099	2
1760	Net investment property	6 (9) and 8	100,319	-	214,527	1
1780	Intangible asset	6 (10)	37,072	-	36,218	-
1840	Deferred tax assets	6 (24)	71,071	-	73,568	-
1900	Other non-current assets	6 (13) and 8	387,352	2	69,672	-
15XX	Total non-current assets		<u>6,153,794</u>	<u>24</u>	<u>6,015,028</u>	<u>25</u>
1XXX	Total Assets		<u>\$ 25,404,503</u>	<u>100</u>	<u>\$ 24,322,424</u>	<u>100</u>

(To be Continued)

Pan-International Industrial Corp. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NTD thousand

LIABILITIES AND EQUITY	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liability						
2100	Short-term borrowings	6 (11)	\$ 2,101,238	8	\$ 1,028,206	4
2130	Contractual liabilities - Current	6 (19) and 7	273,608	1	939,066	4
2150	Notes payable		356,341	2	64,745	-
2170	Accounts payable		3,839,452	15	4,883,276	20
2180	Accounts payable - Related parties	7	1,511,347	6	1,312,672	6
2200	Other payables	6 (12)	1,642,799	7	1,246,495	5
2230	Current tax liabilities		335,586	1	252,298	1
2280	Lease liabilities - Current	7	89,159	-	79,991	-
2399	Other current liabilities - Other		23,204	-	25,990	-
21XX	Total current liabilities		<u>10,172,734</u>	<u>40</u>	<u>9,832,739</u>	<u>40</u>
Non-current liabilities						
2570	Deferred tax liabilities	6 (24)	346,399	1	290,552	1
2580	Lease liabilities - Non-current	7	99,595	1	86,182	1
2600	Other non-current liabilities	6 (13)	16,408	-	19,036	-
25XX	Total non-current liabilities		<u>462,402</u>	<u>2</u>	<u>395,770</u>	<u>2</u>
2XXX	Total liabilities		<u>10,635,136</u>	<u>42</u>	<u>10,228,509</u>	<u>42</u>
Equity attributable to owners of the parent company						
	Share capital	6 (14)				
3110	Common share capital		5,183,462	21	5,183,462	21
	Capital surplus	6 (15)				
3200	Capital surplus		1,503,606	6	1,503,606	6
	Retained earnings	6 (16)				
3310	Legal reserve		1,269,138	5	1,138,619	5
3320	Special reserve		1,072,435	4	1,349,724	6
3350	Undistributed earnings		5,255,632	21	4,308,365	18
	Other equities	6 (17)				
3400	Other equities		(1,385,208)	(6)	(1,072,434)	(5)
31XX	Total equity attributable to owners of the parent company		<u>12,899,065</u>	<u>51</u>	<u>12,411,342</u>	<u>51</u>
36XX	Non-controlling interests	6 (18)	<u>1,870,302</u>	<u>7</u>	<u>1,682,573</u>	<u>7</u>
3XXX	Total equity		<u>14,769,367</u>	<u>58</u>	<u>14,093,915</u>	<u>58</u>
	Significant Contingent Liabilities and Unrecognized Commitments	9				
3X2X	Total liabilities and equity		<u>\$ 25,404,503</u>	<u>100</u>	<u>\$ 24,322,424</u>	<u>100</u>

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman:
Song-Fa Lu

Manager:
Song-Fa Lu

Accounting supervisor:
Feng-An Huang

Pan-International Industrial Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NTD thousand
(except in NTD for earnings per share)

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6 (19) and 7	\$ 26,257,340	100	\$ 24,226,194	100
5000 Operating cost	6 (4) (22) And 7	(22,977,604)	(87)	(21,577,044)	(89)
5900 Operating profit margin		<u>3,279,736</u>	<u>13</u>	<u>2,649,150</u>	<u>11</u>
Operating expenses	6 (22)				
6100 Selling and marketing expenses		(305,104)	(1)	(265,656)	(1)
6200 General and administrative expenses		(737,376)	(3)	(650,827)	(3)
6300 Research and development expenses		(416,502)	(2)	(346,780)	(1)
6450 Expected credit impairment benefit (loss)	12 (3)	<u>478</u>	<u>-</u>	<u>(3,682)</u>	<u>-</u>
6000 Total operating expenses		<u>(1,458,504)</u>	<u>(6)</u>	<u>(1,266,945)</u>	<u>(5)</u>
6900 Operating profit		<u>1,821,232</u>	<u>7</u>	<u>1,382,205</u>	<u>6</u>
Non-operating income and expense					
7100 Interest income		95,027	-	84,741	-
7010 Other income	6 (20)	184,276	1	122,932	1
7020 Other gains and losses	6 (21)	5,732	-	34,659	-
7050 Financial costs	6 (23)	(41,231)	-	(12,892)	-
7060 Share of profits and losses of affiliated companies and joint ventures recognized by the equity method	6 (6)	<u>(8,603)</u>	<u>-</u>	<u>(62,220)</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>235,201</u>	<u>1</u>	<u>167,220</u>	<u>1</u>
7900 Net income before tax		<u>2,056,433</u>	<u>8</u>	<u>1,549,425</u>	<u>7</u>
7950 Income tax expense	6 (24)	<u>(490,034)</u>	<u>(2)</u>	<u>(386,828)</u>	<u>(2)</u>
8200 Net income for the period		<u>\$ 1,566,399</u>	<u>6</u>	<u>\$ 1,162,597</u>	<u>5</u>

(To be Continued)

Pan-International Industrial Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NTD thousand
(except in NTD for earnings per share)

Item	Note	2022		2021		
		Amount	%	Amount	%	
Items that will not be reclassified subsequently to profit or loss						
8311	Remeasured value of defined benefit plan	6 (13)	\$ 8,470	-	\$ 1,547	-
8316	Unrealized evaluation profit and loss of equity instrument investment measured at fair value through other comprehensive income	6 (17)	(708,066)	(3)	847,889	3
8349	Income tax related to items not reclassified	6 (24)	(1,695)	-	(37,195)	-
8310	Total of items not reclassified to profit or loss		(701,291)	(3)	812,241	3
Items that may be reclassified subsequently to profit or loss:						
8361	Currency translation difference	6 (17) (18)	487,069	2	(308,852)	(1)
8360	Total of items that may be reclassified subsequently to profit or loss:		487,069	2	(308,852)	(1)
8300	Other comprehensive income (net)		(\$ 214,222)	(1)	\$ 503,389	2
8500	Total comprehensive income in the current period		\$ 1,352,177	5	\$ 1,665,986	7
NET PROFIT ATTRIBUTABLE TO:						
8610	Owners of the parent company		\$ 1,322,290	5	\$ 967,232	4
8620	Non-controlling interests		244,109	1	195,365	1
			\$ 1,566,399	6	\$ 1,162,597	5
Total comprehensive income attributable to:						
8710	Owners of the parent company		\$ 1,016,064	4	\$ 1,581,837	7
8720	Non-controlling interests		336,113	1	84,149	-
			\$ 1,352,177	5	\$ 1,665,986	7
Earnings per share (EPS)						
9750	Basic earnings per share	6 (25)	\$ 2.55		\$ 1.87	
9850	Diluted earnings per share		\$ 2.54		\$ 1.86	

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman:
Song-Fa Lu

Manager:
Song-Fa Lu

Accounting supervisor:
Feng-An Huang

Pan-International Industrial Corp. and Subsidiaries
Consolidated Statements of Changes Equity
January 1 to December 31, 2022 and 2021

Unit: NTD thousand

	Note	Equity attributable to owners of the parent company									Non-controlling interests	Total Equity
		Capital surplus			Retained earnings			Other equities				
		Common share capital	Capital reserve - Issuance premium	Capital reserve - Treasury share transaction	Legal reserve	Special reserve	Undistributed earnings	Currency translation difference	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total		
<u>2021</u>												
Balance on January 1		\$ 5,183,462	\$ 1,402,318	\$ 101,288	\$ 1,062,342	\$ 1,312,274	\$ 3,453,829	(\$ 1,163,132)	(\$ 186,592)	\$ 11,165,789	\$ 1,622,505	\$ 12,788,294
Net income for the period		-	-	-	-	-	967,232	-	-	967,232	195,365	1,162,597
Other comprehensive income recognized for the period	6 (17)	-	-	-	-	-	1,128	(197,527)	811,004	614,605	(111,216)	503,389
Total comprehensive income in the current period		-	-	-	-	-	968,360	(197,527)	811,004	1,581,837	84,149	1,665,986
Earnings distribution and provisions for 2020:	6 (16)											
Provision of legal reserve		-	-	-	76,277	-	(76,277)	-	-	-	-	-
Provision of special reserve		-	-	-	-	37,450	(37,450)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(336,925)	-	-	(336,925)	-	(336,925)
Decrease in non-controlling interests	6 (18)	-	-	-	-	-	-	-	-	-	(24,081)	(24,081)
The refund of share payments from the investee's capital reduction exceeds the book value		-	-	-	-	-	641	-	-	641	-	641
Equity instruments measured at fair value through other comprehensive income	6 (5) (17)	-	-	-	-	-	336,187	-	(336,187)	-	-	-
Balance on December 31		\$ 5,183,462	\$ 1,402,318	\$ 101,288	\$ 1,138,619	\$ 1,349,724	\$ 4,308,365	(\$ 1,360,659)	\$ 288,225	\$ 12,411,342	\$ 1,682,573	\$ 14,093,915
<u>2022</u>												
Balance on January 1		\$ 5,183,462	\$ 1,402,318	\$ 101,288	\$ 1,138,619	\$ 1,349,724	\$ 4,308,365	(\$ 1,360,659)	\$ 288,225	\$ 12,411,342	\$ 1,682,573	\$ 14,093,915
Net income for the period		-	-	-	-	-	1,322,290	-	-	1,322,290	244,109	1,566,399
Other comprehensive income recognized for the period	6 (17)	-	-	-	-	-	6,548	395,292	(708,066)	(306,226)	92,004	(214,222)
Total comprehensive income in the current period		-	-	-	-	-	1,328,838	395,292	(708,066)	1,016,064	336,113	1,352,177
Earnings distribution and provisions for 2021:	6 (16)											
Provision of legal reserve		-	-	-	130,519	-	(130,519)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(277,289)	277,289	-	-	-	-	-
Cash dividends		-	-	-	-	-	(518,346)	-	-	(518,346)	-	(518,346)
Decrease in non-controlling interests	6 (18)	-	-	-	-	-	-	-	-	-	(86,844)	(86,844)
The share capital returned from liquidation of the investee company exceeds the book value		-	-	-	-	-	41	-	-	41	-	41
All changes in equities of subsidiaries are recognized	6 (26)	-	-	-	-	-	(10,036)	-	-	(10,036)	(61,540)	(71,576)
Balance on December 31		\$ 5,183,462	\$ 1,402,318	\$ 101,288	\$ 1,269,138	\$ 1,072,435	\$ 5,255,632	(\$ 965,367)	(\$ 419,841)	\$ 12,899,065	\$ 1,870,302	\$ 14,769,367

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman:
Song-Fa Lu

Manager:
Song-Fa Lu

Accounting supervisor:
Feng-An Huang

Pan-International Industrial Corp. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: NTD thousand

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		\$ 2,056,433	\$ 1,549,425
Adjustments			
income and expenses items			
Depreciation expenses and amortizations	6 (22)	603,492	417,290
Expected credit impairment (benefit) loss	12 (3)	(478)	3,682
Net benefits of financial assets and liabilities measured at fair value through the income	6 (21)	(33,930)	(29,210)
Interest expense	6 (23)	41,231	12,892
Interest income		(95,027)	(84,741)
Dividend income	6 (20)	(87,266)	(25,416)
Income from rental reduction		-	(3,123)
Share of profits and losses of affiliated companies recognized by the equity method	6 (6)	8,603	62,220
Gain on disposal of investments	6 (21)	-	(14,520)
Net loss from the disposal of property, plant and equipment	6 (21)	25,387	4,955
Unrealized exchange loss (gain)		82,895	(29,160)
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Financial assets and liabilities measured at fair value through the income		35,518	58,548
Net notes receivable		(10,168)	(20,641)
Net accounts receivable		(561,481)	(392,468)
Accounts receivable - Related parties net		(828,967)	(345,508)
Other receivables		50,989	(24,185)
Inventory		1,075,026	(2,510,368)
Other current assets		145,650	(93,717)
Net change in liabilities related to operating activities			
Contractual liabilities		(665,458)	543,444
Notes payable		291,829	(54,870)
Accounts payable		(1,109,377)	1,557,708
Accounts payable - Related parties		167,830	(31,598)
Other payables		408,412	85,959
Other current liabilities		(3,597)	(8,414)
Other non-current liabilities		(2,628)	(5,452)
Cash inflow from operations		1,594,918	622,732
Income tax paid		(323,690)	(424,956)
Net cash inflow from operating activities		<u>1,271,228</u>	<u>197,776</u>
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss		-	(1,902)
Disposal of financial assets at fair value through profit or loss		-	5,846
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	6 (5)	-	239,883
Refund of capital investment in financial assets measured at fair value through other comprehensive income		78,570	9,060
Share capital returned from liquidation of the investee company		41	-
Acquisition of subsidiaries (deducting cash acquired)	6 (28)	-	(100,004)
Purchase property, plant and equipment assets	6 (28)	(958,816)	(624,820)
Proceeds from disposal of property, plant and equipment		8,273	13,594
Decrease (increase) in refundable deposits		(284,930)	3,368
Increase in other non-current assets		(39,137)	(61,523)
Interest received		95,027	84,741
Dividend received		87,266	25,416
Net cash outflow from investment activities		<u>(1,013,706)</u>	<u>406,341</u>
Cash flows from financing activities			
Increase in short-term borrowings	6 (29)	961,159	(493,359)
Lease principal repayment		(66,104)	(59,263)
Cash dividend payment	6 (16)	(518,346)	(336,925)
Interest paid		(41,231)	(12,892)
Number of cash dividends paid to non-controlling interests	6 (18)	(86,844)	(61,002)
Acquisition of stock options in subsidiaries	6 (26)	(71,576)	-
Net cash inflow (outflow) from financing activities		<u>177,058</u>	<u>963,441</u>
Impact of changes in the exchange rate on cash and cash equivalents		37,206	(130,451)
Increase (decrease) in cash and cash equivalents in the current period		471,786	(1,302,457)
Cash and cash equivalents at the beginning of the period		6,241,785	7,544,242
Cash and cash equivalents at the end of the period		<u>\$ 6,713,571</u>	<u>\$ 6,241,785</u>

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman:
Song-Fa Lu

Manager:
Song-Fa Lu

Accounting supervisor:
Feng-An Huang

Attachments 4

Pan-International Industrial Corp.
Earnings Distribution Table
2022

Item	Unit: In New Taiwan Dollars
Item	Amount
Unappropriated retained earnings at beginning of the term	3,936,790,566
Plus: Ensure the remeasured amount is recognized as retained surplus after determining the benefit plan.	6,548,367
Plus: Use equity instruments at fair value through other comprehensive income to transfer benefits to retained surplus.	41,341
Minus: All changes in recognized retained earnings adjusted for subsidiaries	(10,037,572)
Plus: Net income after tax	1,322,290,130
Minus: Appropriated statutory surplus reserve	(131,884,227)
Plus: Special Surplus Reserve Reversed	(312,771,970)
Earnings available for distribution	4,810,976,635
Item for distribution:	
Shareholders' cash dividends (Note)	NT\$1.40 per share (725,684,795)
Ending undistributed earnings	4,085,291,840

Note 1: The earnings of 2022 is to be distributed in priority for this year.

Note 2: According to the provisions Article 21 of the Articles of Incorporation, for the issuance of cash dividends and bonuses resolved by the board of directors, the board of directors is authorized to establish the distribution plan and to report to the shareholders' meeting.

Chairman of the Board:
Song-Fa Lu

Managerial Officer:
Song-Fa Lu

Accounting Supervisor:
Feng-An Huang

Attachments 5

Pan-International Industrial Corp.

“Articles of Incorporation” Before/After Amendment Text Comparison Table

Revised Articles	Original Article	Explanation
<p>Article 6: The total capital of the Company shall be NTD 6,000,000,000, divided into 600,000,000 shares, at a par value of NTD 10, and the Board of Directors is authorized to perform share issuance at discrete times. Among these, 30,000,000 shares are reserved as <u>employee</u> share subscription warrants or the share subscription warrants associated with the corporate bonds to be issued.</p> <p><u>The Company may, subject to the consent of two-thirds of voting rights present in a shareholder meeting where over half of the total outstanding shares are represented, buy back treasury stock at less than the average price to be transferred to employees or for the issuance of employee warrants with an exercise price lower than the closing ordinary share price on the issuance date.</u></p> <p>The subjects for the issuance of employee stock options <u>to which the Company repurchases and transfers shares according to the law</u>, subjects for issuance of restricted share awards, and subjects for shares reserved from new shares issuance of cash capital increase for employee subscription may include employees of <u>controlled or affiliated</u> companies that satisfy certain criteria, and the board of directors is authored to determine the criteria, <u>transfer</u>, issuance, and subscription method thereof.</p>	<p>Article 6: The total capital of the Company shall be NTD 6,000,000,000, divided into 600,000,000 shares, at a par value of NTD 10, and the Board of Directors is authorized to perform share issuance at discrete times. Among which 30,000,000 shares are reserved as the share subscription warrants or the share subscription warrants associated with the corporate bonds to be issued.</p> <p>The subjects for the issuance of employee stock option, subjects for issuance of restricted share awards and subjects for shares reserved from new shares issuance of cash capital increase for employee subscription may include employees of affiliated companies that satisfy certain criteria, and the Board of Directors is authored to determine the criteria, issuance <u>method and</u> subscription method thereof.</p>	<p>Revise according to actual needs</p>

<p>Article 10: The shareholder meetings are classified into two types: the ordinary shareholders' meeting and the extraordinary shareholders' meeting. The ordinary shareholders' meeting shall be convened once per year, and shall be convened by the Board of Directors according to the laws within six months after the close of each fiscal year. The extraordinary shareholders' meeting shall be convened whenever necessary according to laws.</p> <p><u>The Company's shareholders meetings may be held via video conference or other methods announced by the central competent authority.</u></p> <p>Shareholder meetings shall be convened by the Board of Directors, and the Chairman of the Board shall be the chair of the meeting. In case where the Chairman is absent due to reasons, it shall be handled in accordance with the provision prescribed in Article 208 of the Company Act. For a shareholders' meeting convened by any person having the convening right other than the Board of Directors, the person having the convening right shall be the chair, and if there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.</p>	<p>Article 10: The shareholder meetings are classified into two types: the ordinary shareholders' meeting and the extraordinary shareholders' meeting. The ordinary shareholders' meeting shall be convened once per year, and shall be convened by the Board of Directors according to the laws within six months after the close of each fiscal year. The extraordinary shareholders' meeting shall be convened whenever necessary according to laws.</p> <p>Shareholder meetings shall be convened by the Board of Directors, and the Chairman of the Board shall be the chair of the meeting. In case where the Chairman is absent due to reasons, it shall be handled in accordance with the provision prescribed in Article 208 of the Company Act. For a shareholders' meeting convened by any person having the convening right other than the Board of Directors, the person having the convening right shall be the chair, and if there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.</p>	<p>Add regulations on the convening method for general shareholders' meeting</p>
<p>Article 23: These Articles of Incorporation were enacted on April 5, 1971. The first amendment was made on April 22, 1971. The second amendment was made on May 6, 1971. The forty second amendment was made on June 17, 2014. The forty third amendment was made on June 13, 2016. The forty fourth amendment was made on June 8, 2018. The forty fifth amendment was made on June 14, 2019. <u>The forty sixth</u></p>	<p>Article 23: These Articles of Incorporation were enacted on April 5, 1971. The first amendment was made on April 22, 1971. The second amendment was made on May 6, 1971. The forty second amendment was made on June 17, 2014. The forty third amendment was made on June 13, 2016. The forty fourth amendment was made on June 8, 2018. The forty fifth amendment</p>	<p>Date of this addition amendment</p>

<u>amendment was made on June 9, 2023.</u>	was made on June 14, 2019.	
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Attachments 6

Pan-International Industrial Corp. Rules of Procedure for Shareholders' Meeting Amendment Comparison Table

Revised Articles	Original Article	Explanation
<p>II. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. <u>The number of stock rights attended is calculated based on the number of shares that can exercise voting rights electronically and registered on the video conference platform based on the signature book or the attendance card submitted. Suppose a shareholders' meeting is held via video conferencing. In that case, shareholders who wish to attend by video conferencing shall register with the Company's designated site or website two days before the shareholders' meeting.</u></p>	<p>II. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.</p>	<p>Amended in response to convening a shareholders' meeting via video conference.</p>
<p>III. Attendance and voting at the shareholders' meeting shall be calculated based on the number of shares. <u>If a shareholder proposes to count the number of people, the chairman shall reject the proposal. When voting on a proposal, the proposal shall be passed if the required number has been reached.</u></p>	<p>III. The attendance and voting at a shareholders' meeting shall be calculated based the number of shares.</p>	<p>Clarify the basis for the share calculation.</p>
<p>IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>A shareholders meeting convened by the Company via video conferencing is not subject to the preceding convening location restriction. For shareholders' meetings</u></p>	<p>IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>Amended in response to convening a shareholders' meeting via video conference.</p>

<p><u>conducted via video conferencing, registration shall be accepted on the shareholders' meeting video conference platform 30 minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed present at the shareholders' meeting in person.</u></p>		
<p>V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise his/her power and authority the Vice Chairman to act as a proxy thereof; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise his/her power and authority, the Chairman shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one Director as a proxy thereof. Where a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. <u>If two or more persons have the right to convene meetings, one of such persons shall be elected as the chair.</u></p>	<p>V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise his/her power and authority the Vice Chairman to act as a proxy thereof; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise his/her power and authority, the Chairman shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one Director as a proxy thereof. Where a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.</p>	<p>Revise the procedures for the convener to serve as the chairman of the shareholders meeting.</p>
<p>IX. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of</p>	<p>IX. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders'</p>	<p>Revise the handling provisions for the chair's procedure rule violations.</p>

<p>the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.</p> <p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. <u>Suppose the chair violated the procedure rules and the meeting was announced adjourned. In that case, one person can be elected as the chair with the consent of over half of the voting rights from the present shareholders' meeting, and the meeting can continue.</u> After the chair declares the meeting adjourned, shareholders shall not further elect a chair to continue the meeting at the original site or at another place.</p>	<p>meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. After the chair declares the meeting adjourned, shareholders shall not further elect a chair to continue the meeting at the original site or at another place.</p>	
<p>XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes.</p> <p>If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. <u>Suppose a shareholders' meeting is held via video conferencing. In that case, the shareholders participating by video conferencing may ask questions in the text on the shareholders' meeting video conferencing platform after the chair announces the meeting and before the meeting adjournment is announced. Each shareholder shall not ask over 2 questions per proposal; each question is limited to 200 words, and the provisions</u></p>	<p>XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p>	<p>Amended in response to convening a shareholders' meeting via video conference.</p>

<p><u>provided in the preceding 2 paragraphs shall not apply.</u></p>		
<p>XIV. <u>The reported matters or non-action proposals shall not be discussed or voted on.</u> When the chair at a shareholders' meeting believes that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.</p>	<p>XIV. When the chair at a shareholders' meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.</p>	<p>Clarify non-voting matters and motions.</p>
<p>XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. <u>Suppose a shareholders' meeting is held via a video conferencing method. In that case, the votes shall be counted once the chair announces the voting is closed, and the voting and election results shall be announced.</u> <u>If the shareholders' meeting is held via video conferencing and if there is an obstacle to the video conferencing platform or video conferencing participation after the chair declares the meeting started due to force majeure issues that lasted for over 30 minutes before the chair announces the meeting adjourned, Article 182 of the Company Act shall not apply if the shareholders' meeting must be extended or continued within five days unless there is no need for postponement or continuation pursuant to Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u> <u>If the shareholders' meeting is postponed or reconvened according to the provisions of the preceding paragraph, the voting and vote counting that has been completed, the voting results declared, or the list of elected directors need not be re-discussed</u></p>	<p>XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. <u>Voting results shall be made known on-site immediately and recorded in writing.</u></p>	<p>Amended in response to convening a shareholders' meeting via video conference.</p>

<p><u>and resolved.</u> <u>If the shareholders’ meeting is postponed or reconvened according to the provisions provided by Paragraph 3, the relevant preparatory work according to the original shareholders’ meeting date and the relevant provisions shall be implemented. When the original shareholders’ meeting stopped the account transfer, the shareholders listed in the shareholders register shall be entitled to attend the shareholders’ meeting pursuant to Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Suppose a video-assisted shareholders’ meeting held by the Company cannot continue due to issues described in Paragraph 3. In that case, the shareholders’ meeting shall continue if the total number of shares in attendance still reaches the statutory quota for the shareholders’ meeting resolution after deducting the number of shares attending the shareholders’ meeting by video. There is no need to postpone or reconvene the meeting according to Paragraph 3.</u> <u>If the Company convenes a shareholders’ meeting via video conferencing, appropriate alternatives shall be provided for shareholders who have difficulty attending the shareholders’ meeting via video conferencing.</u></p>		
<p><u>XX. The Rules shall be implemented after approval by the shareholders meeting, and the same shall apply to its amendments.</u></p>	<p>Newly Added</p>	<p>Amend the shareholder meeting to be the responsible unit of the Rules.</p>

Attachments 7

Pan-International Industrial Corp. Candidate List for Directors (including Independent Directors)

Candidate Category	Candidate Name	Education Background	Experience	Current Position	Amount of shares held (unit: shares)
Director	Kuang-Yao Lee	Master of Business Administration, Soochow University	Chairman of Foxconn Technology Co., Ltd. Senior Division Chief of Foxconn Technology Co., Ltd.	Assistant Vice President of Foxconn Technology Co., Ltd.	0
Director	Feng-An Huang	Bachelor, Department of Accounting, Feng Chia University	Accounting Chief, Pan-International Industrial Corp.	Director and Chief of Admin. Dept., Pan-International Industrial Corp.	35,000
Director	Ying-Shih Huang	Master of Accounting, National Chung Cheng University	Assistant Vice President of HP Taiwan Information Technology Ltd. Assistant Vice President of Systex Corporation	Senior Division Chief of Foxconn Technology Co., Ltd.	0
Independent Director	Wen-Rong Cheng	Master of Accounting, National Taiwan University	Adjunct Lecturer, Department of Public Finance and Tax Administration, National Taipei University of Business Member, Professional Education Committee, The National Federation of CPA Associations of the R.O.C.	Lead CPA, Fubo United Accounting Firm	0
Independent Director	Jing-Wei Lin	Master of Accounting, National Chengchi University	Director of CyberTAN Technology Inc. CFO of Arrow Cinematic Group	Director of Great Dream Pictures	0
Independent Director	Ming-Yi Kuo	Master of Law, Columbia University in the City of New York	Chief of Legal Officer and Compliance Officer, China Development Industrial Bank	Consultant of Lexcel Law Offices	0
Independent Director	Chih-Keng Chen	PhD of Institute of Control engineering, Case Western Reserve University, USA	Vice President, College of Mechanical and Electrical Engineering, National Taipei University of Technology Technical Consultant, Automotive Research & Testing Center (ARTC)	Professor and heads of department, Vehicle Engineering, National Taipei University of Technology	0

Appendix 1

Pan-International Industrial Corp. Rules of Procedure for Shareholders' Meeting (Before amendments)

- I. The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by laws and regulations, shall be as provided in these Rules.
- II. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.
- III. The attendance and voting at a shareholders' meeting shall be calculated based the number of shares.
- IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise his/her power and authority the Vice Chairman to act as a proxy thereof; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise his/her power and authority, the Chairman shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one Director as a proxy thereof. Where a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- VI. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. The staff serving on the shareholders' meeting shall wear identity certificates or arm-bands.
- VII. The Company shall record on audio or video tape the entire proceedings of a shareholders' meeting and preserve the recordings for at least one year.

- VIII. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If attending shareholders represent more than one-third but less than half of outstanding shares after two postponements, the attending shareholders may reach a tentative resolution according to Paragraph 1, Article 175 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- IX. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. After the chair declares the meeting adjourned, shareholders shall not further elect a chair to continue the meeting at the original site or at another place.
- X. Before speaking, a shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance that does not actually speak in the meeting shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- XII. When a juristic person is appointed to attend a shareholders' meeting as proxy, it shall

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

- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- XIV. When the chair at a shareholders' meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.
- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Voting results shall be made known on-site immediately and recorded in writing.
- XVI. When a meeting is in progress, the chair may announce a break based on time considerations.
- XVII. Except as otherwise provided in the Company Act and the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When a proposal comes to a vote, if no shareholder voices an objection following an inquiry by the chair, the proposal will be deemed to be approved, and it shall have the same effect as that reached through voting.
- XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XIX. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) assist to maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."

Appendix 2

Pan-International Industrial Corp. Articles of Incorporation (Before amendments)

Chapter 1 General Rules

- Article 1: The Company shall be incorporated under the Company Act, and its name shall be Pan-International Industrial Corp.
- Article 2: The scope of business of the Company shall be as follows:
1. CC01080 Electronics Components Manufacturing.
 2. CC01110 Computer and Peripheral Equipment Manufacturing.
 3. CC01060 Wired Communication Mechanical Equipment Manufacturing.
 4. CC01020 Electric Wires and Cables Manufacturing.
 5. CQ01010 Mold and Die Manufacturing.
 6. F106010 Wholesale of Hardware.
 7. F107990 Wholesale of Other Chemical Products.
 8. CB01010 Mechanical Equipment Manufacturing.
 9. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
 10. F401010 International Trade.
 11. CC01070 Wireless Communication Mechanical Equipment Manufacturing.
 12. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
 13. F108031 Wholesale of Medical Devices.
 14. F208031 Retail Sale of Medical Apparatus.
 15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The re-investment total amount of the Company is not limited by the 40% of the paid-in capital.
- Article 3: The Company shall have its head office in New Taipei City, R.O.C., and when it is determined to be necessary, upon the resolution of the Board of Directors, branch offices or subsidiaries may be established domestically or overseas.
- Article 4: The Company may provide guarantees to related enterprises.
- Article 5: The public announcement method of the Company shall be handled according to Article 28 of the Company Act.

Chapter 2 Share

- Article 6: The total capital of the Company shall be NTD 6,000,000,000, divided into 600,000,000 shares, at a par value of NTD 10, and the Board of Directors is authorized to perform share issuance at discrete times. Among which 30,000,000 shares are reserved as the share subscription warrants or the share subscription warrants associated with the corporate bonds to be issued.
- The subjects for the issuance of employee stock option, subjects for issuance of restricted share awards and subjects for shares reserved from new shares issuance of cash capital increase for employee subscription may include employees of affiliated companies that satisfy certain criteria, and the Board of Directors is authored to determine the criteria, issuance method and subscription method thereof.
- Article 7: The share certificates of the Company shall be in registered form and signed or sealed by the Director representing the Company and shall be certified for issuance of the share certificates according to the laws. The Company may be exempted from the printing of share certificates in accordance with the provision of Article 162-2 of the Company Act; however, the shares shall be registered with the Centralized Securities Depository Enterprises.

Article 8: The administration of the shareholder services of the Company, unless otherwise specified in the laws and regulations, shall be handled according to the Regulations Governing the Administration of Shareholder Services of Public Companies published by the Securities and Futures Bureau, Financial Supervisory Commission.

Article 9: Any change and transfer registration of shares shall be prohibited within sixty days prior to the ordinary shareholders' meeting, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the record date for the distribution of dividends and bonuses or other benefits by the Company.

Chapter 3 Shareholders' Meeting

Article 10: The shareholder meetings are classified into two types: the ordinary shareholders' meeting and the extraordinary shareholders' meeting. The ordinary shareholders' meeting shall be convened once per year, and shall be convened by the Board of Directors according to the laws within six months after the close of each fiscal year. The extraordinary shareholders' meeting shall be convened whenever necessary according to laws.

Shareholder meetings shall be convened by the Board of Directors, and the Chairman of the Board shall be the chair of the meeting. In case where the Chairman is absent due to reasons, it shall be handled in accordance with the provision prescribed in Article 208 of the Company Act. For a shareholders' meeting convened by any person having the convening right other than the Board of Directors, the person having the convening right shall be the chair, and if there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

Article 11: Where a shareholder for any reasons cannot attend a shareholders' meeting in person, he shareholder may appoint a proxy to attend the shareholders' meeting on his/her/its behalf by executing a power of attorney, stating therein the scope of power authorized to the proxy. The use of proxies shall comply with the regulations of the Company Act and shall also be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies announced by the competent authority.

Article 12: Unless otherwise specified in relevant laws and regulations, each shareholder shall have one voting right for each share held,

Article 13: Any resolution at a shareholders' meeting, unless otherwise specified in the Company Act, shall be adopted by a majority of the shareholders presented, who representing more than half of the total number of the company's outstanding shares, and shall be executed based on the majority of the voting rights of attending shareholders. Matters related to the resolutions of a meeting shall be recorded in meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and shall be distributed to each shareholder within twenty days after the close of the meeting. The distribution of the meeting minutes may be effected by means of a public notice.

Chapter 4 Board of Directors and Audit Committee

Article 14: The Company shall have seven to nine Directors, among 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, and the term of office shall be three years. For the election of Directors, the candidates nomination system shall be adopted in accordance with the provision of Article 192-1 of the Company Act, and Directors are elected by the shareholders' meeting from the candidate roster, and Directors may be eligible for re-election.

Relevant matters of the professional qualification, shareholding, concurrent job position limitation and other necessary requirements shall comply with relevant regulations specified by the securities competent authority.

The Company establishes the Audit Committee in replacement of the Supervisors according to Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be formed by all of the Independent Directors, and its number of members shall not be less than three, wherein one of the members shall be the convener. The exercise of functional duties of the Audit Committee and other required compliance matters shall be handled in accordance with relevant laws and regulations. The total number of shares held by all of the Directors shall not be less than a certain percentage of the total number of issued shares, and such percentage shall comply with the requirements specified by the competent authority.

Article 15: Directors shall form the Board of Directors. With the attendance of more than two thirds of the Directors and the consents of a majority of the attending Directors, a Chairman shall be elected among the Directors. The Chairman shall represent the Company externally.

Article 16: In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, the proxy thereof shall be handled in accordance with the provision of Article 208 of the Company Act.

Article 17: The Board of Directors' meeting shall be held once quarterly, and when it is determined necessary, the meeting may be convened at any time. In case where a Director cannot attend the meeting due to reasons, the proxy thereof shall be handled in accordance with the provision of Article 205 of the Company Act. However, if a meeting is held via the video conference method, Directors attending the meeting through video conference shall be deemed to attend the meeting in person.

The convention of the Board of Directors' meeting shall be handled in accordance with the provision of Article 204 of the Company Act; however, in case of emergency, it may be convened at any time without written notice.

The notice for the convention of Board of Directors' meeting of the Company may be made in writing, e-mail or facsimile method to inform all Directors.

Article 18: Transportation allowance of all Directors shall be determined by the Board of Directors, and regardless whether the Company is operating at a profit or loss, it shall be paid according to the common standard adopted in the same industry. During the term of office of all Directors, the Company shall purchase liability insurances for the Directors for their indemnification liabilities within the scope of their official services according to the laws, and shall report the insurance content to the Board of Directors.

Chapter 5 Managerial Officers

Article 19: The Company may have managerial officers, and the appointment, discharge and the remuneration of the managerial officers shall be handled according to Article 29 of the Company Act.

Chapter 6 Accounting

Article 20: At the end of each fiscal year of the Company, the Board of Directors shall prepare the reports and statements of (I) Business report, (II) Financial statement and (III) Proposal for distribution of earnings or covering losses, for submission to the ordinary shareholder's meeting according to the law in order to request for ratification thereof.

Article 21: If the Company makes a profit during the year (the so-called profit refers to the pre-tax profit before the distribution of employee compensation and directors' compensation), no less than 5% shall be allocated for employee remuneration and no more than 0.5% shall be allocated for directors' remuneration, which shall be distributed after a special resolution by the board of directors and reported to the shareholders meeting. However, where the Company still has accumulated losses, amount shall be reserved for making up the accumulated loss first.

The remuneration of employees described in the preceding paragraph may be made in the form of shares or cash, and the subjects for receiving the shares or cash may include employees of the affiliated companies meeting certain specific requirements, and the Board of Directors is authorized to establish said specific requirements. Where there is a profit after the settlement of a fiscal year, the profit shall be distributed in accordance with the following sequence:

- (I) Compensate for previous losses
- (II) Appropriate 10% as the legal reserve
- (III) Appropriate or reverse special reserve according to other laws and regulations
- (IV) When the remaining amount refers to the distributable earnings of the current year, it is combined with the undistributed earnings of the same period at the beginning of the term as the accumulated distributable earnings, and the Board of Directors shall establish the proposal for earnings distribution according to the dividend policy specified in Paragraph 4 of this Article for submission to the shareholders' meeting for resolution and distribution accordingly.

The Company is currently at the growth stage. Regarding the Company's policy on the distribution of dividends, such policy shall be determined based on the factors of the present and future investment environment, capital demand, domestic/overseas competition and capital budget etc. along with the consideration of the shareholders' interests and the long-term financial planning. The shareholders' dividends are appropriated from the accumulated distributable earnings, which shall not be less than 15% of the distributable earnings of the current year, and the cash dividends among the shareholders' dividends shall not be less than 10%. Regarding the cash dividends and bonuses issued for all or a portion of the aforementioned cash dividends and capital reserve and legal reserve, the Board of Directors is authorized to reach a special resolution for distribution thereof, which shall also be reported to the shareholders' meeting, and the requirement for resolution of a shareholders' meeting as described in the preceding paragraph is not applicable.

Chapter 7 Supplemental Provisions

Article 22: Any matters not specified in this Article of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 23: These Articles of Incorporation were enacted on April 5, 1971.

The first amendment was made on April 22, 1971.

The second amendment was made on May 6, 1971.

The third amendment was made on July 25, 1974.

The fourth amendment was made on January 10, 1978.

The fifth amendment was made on May 1, 1978.

The sixth amendment was made on August 19, 1980.

The seventh amendment was made on October 30, 1980.

The eighth amendment was made on December 14, 1980.

The ninth amendment was made on January 10, 1981.

The tenth amendment was made on April 7, 1981.

The twenty fourth amendment was made on June 7, 1991.

The twenty fifth amendment was made on April 10, 1992.

The twenty sixth amendment was made on December 12, 1992.

The twenty seventh amendment was made on May 18, 1994.

The twenty eighth amendment was made on November 8, 1995.

The twenty ninth amendment was made on May 11, 1996.

The thirtieth amendment was made on June 26, 1997.

The thirty first amendment was made on June 2, 1998.

The thirty second amendment was made on April 12, 1999.

The thirty third amendment was made on November 30, 1999.

The eleventh amendment was made on June 28, 1982.
The twelfth amendment was made on July 19, 1982.
The thirteenth amendment was made on June 30, 1983.
The fourteenth amendment was made on January 12, 1984.
The fifteenth amendment was made on August 31, 1984.
The sixteenth amendment was made on February 18, 1986.
The seventeenth amendment was made on March 10, 1986.
The eighteenth amendment was made on January 24, 1989.
The nineteenth amendment was made on September 29, 1989.
The twentieth amendment was made on November 25, 1989.
The twenty first amendment was made on January 20, 1990.
The twenty second amendment was made on June 29, 1990.
The twenty third amendment was made on October 15, 1990.

The thirty fourth amendment was made on June 27, 2000.
The thirty fifth amendment was made on June 10, 2002.
The thirty sixth amendment was made on June 14, 2005.
The thirty seventh amendment was made on June 14, 2006.
The thirty eighth amendment was made on June 8, 2007.
The thirty ninth amendment was made on June 10, 2009.
The fortieth amendment was made on June 8, 2010.
The forty first amendment was made on June 5, 2012.
The forty second amendment was made on June 17, 2014.
The forty third amendment was made on June 13, 2016.
The forty fourth amendment was made on June 8, 2018.
The forty fifth amendment was made on June 14, 2019.

Pan-International Industrial Corp.
Chairman of the Board: Song-Fa Lu

Appendix 3

Pan-International Industrial Corp. Director Election Method

- Article 1: The election of the Company's directors shall be conducted according to the provisions provided in this Method. .
- Article 2: The Company's directors shall be elected using the cumulative election method, and the voters' names can be replaced with the attendance card numbers printed on the ballot papers. During the Company's director election, every share shall be vested with voting rights equivalent to the number of candidates to be elected according to the law. It may be used cumulatively to elect one person or to elect numerous people separately.
- Article 3: The Company's directors shall be elected using a candidates nomination system pursuant to Article 192-1 of the Company Act. Independent and non-independent directors shall be elected simultaneously, and the voting rights of independent and non-independent directors shall be calculated separately according to the quota stipulated in the Company's Articles of Incorporation. Those who obtained more voting rights represented by the electoral votes, shall be elected as independent or non-independent directors. If two or more non-independent directors have the same number of rights and exceed the prescribed quota, those with the same number of rights will be determined by drawing lots. The chair shall draw the lots on behalf of those not present.
- Article 4: Before the election, the chair shall appoint several scrutineers, counting clerks, etc., to perform vote monitoring and counting duties.
- Article 5: The Company shall print the ballots, indicate the same number of directors to be elected, and be distributed them to each shareholder. They shall be numbered according to the attendance card number, and their weight must be added.
- Article 6: The elector must fill in the account name or name of the electee in the "candidate" column of the ballot. The shareholder account number should be added if the electee is a shareholder. However, the unified identification card number must be added if the electee is not a shareholder. However, when a legal person shareholder is the candidate, the legal person's name or its representatives must be filled in the candidate field.
- Article 7: The ballot papers shall be invalid under any of the following circumstances:
1. The ballot papers specified in this regulation are not used.
 2. Blank ballots in the ballot box.

3. The writing is blurred, unrecognizable, or altered.
4. The candidate filled in is a shareholder, but the account name or shareholder account name does not match that in the shareholder register. The candidate filled in is not a shareholder, but the verification of the name or national identity card number is inconsistent.
5. Other things are written beside the candidate's account name (name), shareholder account number (national identification number), or national identification number.
6. The name filled in is the same as that of another shareholder, but no shareholder account or national identification number is filled in for identification.
7. Two or more candidates are listed in the same electoral ballot.
8. The electee's account name (or name), account number, or the number of allocated voting rights is not specified.

Article 8: The chair shall announce the ballot results right after the vote ends.

Article 9: The Company shall respectively notify the directors elected through voting.

Article 10: The relevant provisions of the Company Act shall govern any issues not covered in this Method.

Article 11: This Method shall be implemented after approval by the shareholders' meeting, and the same shall apply to its amendments.

Appendix 4

- I. The shares by all of the Directors of the Company recorded in the shareholders' roster as of the register closure date (April 11, 2023) for 2023 Annual General Shareholders' Meeting are as shown in the table below.
- II. The Company has issued a total number of 518,346,282 shares, and pursuant to the provision of Article 2 of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the minimum shareholdings of all Directors shall be 16,587,081 shares.

**Pan-International Industrial Corp.
Director Individual Shareholding and Total Shareholdings Table**

Title	Name	Shareholdings recorded in the shareholders' roster as of the register closure date (April 11, 2023)	Ratio of shareholding	Remarks
Chairman	Song-Fa Lu	2,035,616 shares	0.39%	
Director	Feng-An Huang	35,000 shares	0.01%	
Director	Ming-Feng Tsai	280,227 shares	0.05%	
Director	Hong Yuan International Investment Co., Ltd., Representative: Tsai-Yu Hsiao	17,941,593 shares	3.46%	
Independent Director	Min-Chang Wei	0 shares	0.00%	
Independent Director	Mien-Ching Huang	0 shares	0.00%	
Independent Director	Wen-Rong Cheng	0 shares	0.00%	
Total	All Directors	20,292,436 shares	3.91%	Reached the statutory percentage

Appendix 5

Impact of the distribution of bonus shares proposed in the present shareholders' meeting on the business performance of the Company and earning per share:

Not applicable because the Company has no stock dividend this year.