

Ticker Symbol: 1617



**榮星電線工業股份有限公司**  
**JUNG SHING WIRE CO., LTD.**

2023 Annual Shareholders 'Meeting

Meeting Agenda

June 12, 2023

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JUNG SHING WIRE CO., LTD.

I. Meeting Procedure for 2023 Annual Shareholders' Meeting

1. Call meeting to order
2. Chairman's address
3. Reported Matters
4. Acknowledged Matters
5. Extemporaneous Motions
6. Adjournment

JUNG SHING WIRE CO., LTD.

II. 2023 Annual Shareholders' Meeting Agenda

Date: June 12, 2023 (Monday), 11 a.m.

Place: No. 138, Wenxin Rd., Rende Dist., Rende Village, Tainan City 717021, Taiwan  
( Rende Village Activity Center )

Method of convention: Physical shareholders' meeting

1. Call meeting to order
2. Chairman's address
3. Reported Matters
  - ( 1 ) 2022 Employees' and Directors' Remuneration Allocation Report
  - ( 2 ) 2022 Business Report
  - ( 3 ) 2022 Annual Financial Statements Audited by Audit Committee Report
  - ( 4 ) Report on Making Endorsements/Guarantees
4. Acknowledged Matters
  - (1) 2022 Business Report and Financial Statements Proposal
  - (2) 2022 Earnings Distribution Proposal
5. Extemporaneous Motions
6. Adjournment

### III. Reported Matters

Proposed by the board of directors

(1) 2022 Employees' and Directors' Remuneration Allocation Report

Before the Company's undeducted employees' and directors', supervisors' remuneration, pre-tax earnings is NT\$ 62,748,585, programed to distributed employees' remuneration is NT\$ 313,743 (0.5%), directors' and supervisors' remuneration is NT\$ 1,254,971 (2%), the preceding pre-tax profit is NT\$ 61,179,871 after distribution. Programed to allocate all in cash, and it was approved by compensation committee on March 9, 2023 and a resolution of board of directors on March 9, 2023, there's no difference between allocated amount of employees' and directors', supervisors remuneration and recognized annual estimated amount of expenses.

## (2) Consolidated business report for 2022

## (1) Operating results :

The net operating loss for 2022 is NT\$42,579,000, with a net loss rate of 1.19%. Compared with the net operating profit of NT\$269,359,000 for 2021, the net profit rate is 5.83%. Therefore, the net operating loss increased by NT\$311,938,000. The net profit before tax in 2022 is NT\$64,528,000, and the net profit margin is 1.80%. Compared with the net profit before tax in 2021, it is NT\$254,545,000, and the net profit margin is 5.51%. The net profit before tax decreased by NT\$190,017,000. Net profit per share after tax in 2022 is NT\$0.33.

## Analysis of consolidated financial income and expenditure:

Unit: NT\$1,000

Item (Consolidated statement)	2022 performance		2021 performance		Comparison of previous year's performance	
	Amount	%	Amount	%	Amount	%
Net operating income	3,581,378	100.00	4,619,634	100.00	(1,038,256)	(22.47)
Operating cost	3,329,477	92.97	4,063,671	87.97	(734,194)	(18.07)
Operating profit	251,901	7.03	555,963	12.03	(304,062)	(54.69)
Operating expenses	294,480	8.22	286,604	6.20	7,876	2.75
Operating profit (loss)	(42,579)	(1.19)	269,359	5.83	(311,938)	(115.81)
Non-operating income and expenses	107,107	2.99	(14,814)	(0.32)	121,921	(823.01)
Net profit (loss) before tax	64,528	1.80	254,545	5.51	(190,017)	(74.65)
Income tax	23,869	0.67	48,679	1.05	(24,810)	(50.97)
Net profit (loss) for the period	40,659	1.14	205,866	4.46	(165,207)	(80.25)
Other comprehensive income (net after tax)	37,986	1.06	1,286	0.03	36,700	(2,853.81)
Total comprehensive profit and loss for the period	78,645	2.20	207,152	4.48	(128,507)	(62.04)
Earnings (loss) per share (NT\$)	0.33		1.45			

## Profitability Analysis :

Item	Ratio	
Return on assets	1.53%	
Return on shareholders' equity	2.00%	
Ratio of paid-in capital	Business interests	-2.70%
	Net profit before tax	4.09%
Net yield	1.14%	
Earnings per share after tax (NT\$)	0.33	

## (2) Budget implementation report :

There are no public financial forecasts for 2022, not applicable.

## (3) R&amp;D and its development status :

Committed to the promotion of the development and application of metal materials and organic/inorganic materials, including energy-saving and environmental protection products and related products for the electric vehicle industry as the focus of development.

(4) Summary of business plan for the year (2023) :

(1) Business policy :

1. Spiritual slogan: "Vitality and Efficiency, Brilliant Fifty".
2. Action policy: activate human resource benefits, strengthen competitive advantages, integrate group resources, accelerate diversified development, and enhance company value.

(2) Expected sales volume and basis :

According to the Company's production capacity and future market estimates, it is expected that the magnet wire sales volume of the entire group will reach approximately 8,900 metric tons in 2023.

(5) Important production and marketing policies and the Company's future development strategy :

1. To develop special magnet wires for new uses based on organic materials, inorganic materials and composite materials.
2. Based on products and marketing methods of high added-value products, to concentrate on expanding sales in the target market.
3. To establish equipment and production systems for special products to ensure that the quality system can reduce losses and improve benefits.
4. To use special products and new products as the production orientation, and enrich the data content for sales promotion.
5. To increase profit and revenue channels, and control the intellectual property rights of the Company to become a unique commodity or service provider in the market.

(6) The impact of the external environment

In 2022, due to the influence of many factors such as the Ukrainian-Russian war, the Covid-19 epidemic, rising prices and the interest rate hike by the FED, both performance and profits declined. Entering 2023, the world is still under pressure from the continuation of the Ukrainian-Russian war, the resurgence of the Covid-19 epidemic, inflation and interest rate hikes. This, together with the geopolitical tensions caused by the US-China rivalry and other evil events, will not only disrupt the global supply chain, make the economic growth prospects dim, and may also fall into a bad recession. At this time, we need to have a firm and unshakable ambition, and make all preparations, and when the economy recovers, we will go upwind and meet the new business opportunities that come one after another. Promoting self-improvement projects, continuously increasing revenue and reducing expenditure, strengthening risk control, implementing lean production, and pursuing stable quality are all goals we must accomplish. This year is also the first year of carbon neutrality. In the future, we can fulfill our corporate social responsibilities for customer's order requirements, production cost reduction, and global climate change. It is also necessary to keep up with the pace of international emission reduction and strive for green business opportunities with unlimited potentials. Just like the Company's image slogan "OUR WIRE, YOUR FUTURE", sustainable products create the cornerstone of common development.

Chairman: Wang, Tung-Tzer    Managerial officer: Chiu, Sho-Chi    Accounting in charge: Hsueh, Tien-Te

Proposed by the board of directors

(3) 2022 annual financial statements report audit by audit committee, for your approval.

Explanation: For the Company's financial statements, accountants audited certificate and audit committee determined to be correct and accurate, and hereby submit audit report and review report.

### Audit Committee's Audit Report

Board of Directors prepared balance sheet, comprehensive income statement, statement of changes in equity, cash flow statement and consolidated financial statements of the year 2022, therein were audited by accountants Su, Yen-Da, Yang, Po-Jen of KPMG, Taiwan and audit report has been offered and 2022 business report and earning distribution statement have been reviewed by Audit Committee. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

For your approval.

2023 Annual Shareholders' Meeting of the Company

JUNG SHING WIRE CO., LTD.

Convener of audit committee: Fang, Hueh-Ling

March 9, 2023



Proposed by the board of directors

(4) Report on making endorsements/guarantees

As of December 31, 2022, the implementation of the Company's endorsements/guarantees is as follows:

1. The Company loaned funds from the bank for the subsidiary JUNG SHING TECHNOLOGIES CO., LTD., and made guarantee of joint performance of debts, the guarantee amount was NT\$ 180,000 thousand.
2. The Company loaned funds from the bank for the subsidiary JUNG SHING WIRE (VIETNAM) CO., LTD., and made guarantee of joint performance of debts, the guarantee amount was NT\$ 41,738 thousand.

The sum of the preceding guarantee amount was NT\$ 221,738 thousand, occupied for 17.56% of the Company's endorsements/guarantees amount.

IV. Acknowledged Matters

Proposed by the board of directors

(1) 2022 business report and financial statements proposal, for your approval.

Explanation: 1. 2022 business report of the Company, in addition, 2022 financial statements (including consolidated financial statements) have been prepared, and appointed accountants Su, Yen-Da, Yang, Po-Jen of KPMG, Taiwan to audit, and they submit the manuscript of audit report.

2. The preceding financial statements and business report have been approved by a resolution of board of directors, and submitted audit committee to prepare audit report, for your approval.

Resolution:

## Independent Auditors' Report

To the Board of Directors of JUNG SHING WIRE CO., LTD. :

### Opinion

We have audited the financial statements of JUNG SHING WIRE CO., LTD.( “the Company” ), which comprise the balance sheet as of December 31, 2022 and 2021, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

Please refer to notes 4(g)"Inventories", Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(e) "Inventories" of the notes to financial statements for the accounting policy on measuring inventory, assumptions used and uncertainties considered in determining the net realizable value and the evaluation of inventory.

#### Description of key audit matter:

The inventory amount of the Company is stated at the lower of cost or net realizable value, since the sales price of the Company' s products, enameled copper wire is affected by fluctuations in the price of its principal raw materials,copper; which may result in the risk of inventories cost being higher than the net realizable value. Therefore, the net realizable value assessment of inventories valuation has been identified as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

- Understanding the variation of sale prices used by the management and changes in market price of inventory in a period after the reporting date, to ensure the appropriateness of the net realizable value, and engage in sampling procedure to confirm the accuracy of the statement on net realizable values of inventory.
- View inventory pool aging reports to analyze inventory pool aging changes for each period. Then engage in sampling procedure to confirm the accuracy of inventory pool aging report.
- Review the accuracy of the Company's past provision for inventories to assess the appropriateness of the current valuation method and assumptions.
- Assess whether the Company's disclosure of information relating to inventory provisions is appropriate.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yen-Ta Su and Po-Jen Yang.

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2023



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<b>For the Year Ended December 31,</b>			
		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue, net(notes (6)(r)and (7))</b>	\$ 1,752,133	100	2,296,966	100
5000	<b>Operating costs(notes (6)(e), (m), (s), (7)and (12))</b>	1,595,379	91	1,988,455	87
5900	<b>Gross profit</b>	156,754	9	308,511	13
6000	<b>Operating expenses(notes (6)(l), (m), (p), (s), (7)and (12)):</b>				
6100	Selling expenses	43,311	2	49,046	2
6200	Administrative expenses	111,192	6	108,979	5
6300	Research and development expenses	10,795	1	13,030	-
6450	<b>Total operating expenses</b>	165,298	9	171,055	7
6900	<b>Net operating income (loss)</b>	(8,544)	-	137,456	6
7000	<b>Non-operating income and expenses(notes (6)(b), (k), (l), (p), (t), (7)and (12)):</b>				
7100	Interest income	651	-	179	-
7010	Other income	1,238	-	1,148	-
7020	Other gains and losses, net	59,099	4	5,482	-
7050	Finance costs, net	(10,502)	(1)	(9,060)	-
7070	Share of profit of subsidiary accounted for using equity method, net	19,237	1	106,216	4
	<b>Total non-operating income and expenses</b>	69,723	4	103,965	4
7900	<b>Profit before income tax</b>	61,179	4	241,421	10
7951	<b>Less: income tax expenses(note (6)(n))</b>	10,669	1	31,679	1
8200	<b>Profit</b>	50,510	3	209,742	9
8300	<b>Other comprehensive income(notes (6)(m), (n)and (o)):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	2,465	-	(2,751)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	493	-	(550)	-
		1,972	-	(2,201)	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8381	Share of other comprehensive income of subsidiary under the equity method - Exchange differences on translation of foreign financial statements	36,014	2	3,487	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		36,014	2	3,487	-
8300	<b>Other comprehensive income</b>	37,986	2	1,286	-
8500	<b>Total comprehensive income</b>	<b>\$ 88,496</b>	<b>5</b>	<b>211,028</b>	<b>9</b>
	<b>Earnings per share (Unit: NTD)(note (6)(q))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 0.33</b>		<b>1.45</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 0.33</b>		<b>1.45</b>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Total other equity interest	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	
<b>Balance at January 1, 2021</b>	\$ 1,442,332	75,660	62,813	139,483	202,798	405,094	(143,553)	1,779,533
Profit	-	-	-	-	209,742	209,742	-	209,742
Other comprehensive income	-	-	-	-	(2,201)	(2,201)	3,487	1,286
Total comprehensive income	-	-	-	-	207,541	207,541	3,487	211,028
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	14,590	-	(14,590)	-	-	-
Special reserve appropriated	-	-	-	4,070	(4,070)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(86,540)	(86,540)	-	(86,540)
Changes in a parent's ownership interest in a subsidiary	-	205	-	-	-	-	-	205
<b>Balance at December 31, 2021</b>	<b>1,442,332</b>	<b>75,865</b>	<b>77,403</b>	<b>143,553</b>	<b>305,139</b>	<b>526,095</b>	<b>(140,066)</b>	<b>1,904,226</b>
Profit	-	-	-	-	50,510	50,510	-	50,510
Other comprehensive income	-	-	-	-	1,972	1,972	36,014	37,986
Total comprehensive income	-	-	-	-	52,482	52,482	36,014	88,496
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	20,754	-	(20,754)	-	-	-
Reversal of special reserve	-	-	-	(3,487)	3,487	-	-	-
Cash dividends of ordinary share	-	-	-	-	(129,810)	(129,810)	-	(129,810)
Capital increase by cash	135,000	66,955	-	-	-	-	-	201,955
Recognized compensation costs on employee stock option	-	7,202	-	-	-	-	-	7,202
Share option-equity components recognized for convertible bonds issued	-	32,228	-	-	-	-	-	32,228
<b>Balance at December 31, 2022</b>	<b>\$ 1,577,332</b>	<b>182,250</b>	<b>98,157</b>	<b>140,066</b>	<b>210,544</b>	<b>448,767</b>	<b>(104,052)</b>	<b>2,104,297</b>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<b>For the Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 61,179	241,421
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	59,694	53,709
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,844)	675
Interest expense	10,502	9,060
Interest income	(651)	(179)
Dividend income	(91)	-
Share of profit of subsidiaries accounted for using equity method	(19,237)	(106,216)
Gain on disposal of property, plan and equipment	-	(9)
Unrealized foreign exchange loss (gain)	(933)	15,052
Compensation cost arising from share-based payments	7,202	-
<b>Total adjustments to reconcile profit (loss)</b>	<b>53,642</b>	<b>(27,908)</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes receivable	28,891	(13,953)
Decrease (increase) in trade receivable	123,901	(49,498)
Decrease (increase) in trade receivable due from related parties	(1,639)	3,008
Decrease (increase) in other receivable	17,336	(8,200)
Decrease (increase) in inventories	20,829	(42,654)
Decrease (increase) in prepayments and other current assets	525	(284)
Increase in net defined benefit assets	(4,105)	-
<b>Total changes in operating assets</b>	<b>185,738</b>	<b>(111,581)</b>
<b>Changes in operating liabilities:</b>		
Decrease in notes and trade payable	(15,765)	(23,661)
Increase in trade payable to related parties	8,600	12,220
Increase (decrease) in other payable	(42,423)	17,294
Increase (decrease) in other current liabilities	(229)	745
Decrease in net defined benefit liability	(3,972)	(13,083)
<b>Total changes in operating liabilities</b>	<b>(53,789)</b>	<b>(6,485)</b>
<b>Total changes in operating assets and liabilities</b>	<b>131,949</b>	<b>(118,066)</b>
<b>Total adjustments</b>	<b>185,591</b>	<b>(145,974)</b>

See accompanying notes to parent company only financial statements.



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>For the Year Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash inflow generated from operations	246,770	95,447
Interest received	566	99
Dividends received	91	-
Interest paid	(8,137)	(8,932)
Income taxes paid	(21,721)	(14,346)
<b>Net cash flows from (used in) operating activities</b>	<b>217,569</b>	<b>72,268</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss	(31,149)	(35,011)
Proceeds from disposal of financial assets at fair value through profit or loss	10,877	152,846
Acquisition of investments accounted for using equity method	-	(103,202)
Acquisition of property, plant and equipment	(65,557)	(62,734)
Proceeds from disposal of property, plant and equipment	-	9
Acquisition of investment properties	-	(11,683)
Increase in refundable deposit	(142)	-
Decrease (increase) in other non-current assets	265	(7,432)
<b>Net cash flows from (used in) investing activities</b>	<b>(85,706)</b>	<b>(67,207)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	230,000	270,000
Decrease in short-term borrowings	(579,800)	-
Decrease in short-term notes and bills payable	(180,000)	-
Proceeds from issuance of convertible bonds	218,925	-
Repayments of long-term borrowings	(31,500)	-
Cash dividends paid	(129,810)	(86,540)
Capital increase by cash	201,955	-
<b>Net cash flows from (used in) financing activities</b>	<b>(270,230)</b>	<b>183,460</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>3,131</b>	<b>(13,867)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(135,236)</b>	<b>174,654</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>368,351</b>	<b>193,697</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 233,115</b>	<b>368,351</b>

See accompanying notes to parent company only financial statements.

## Independent Auditors' Report

To the Board of Directors of JUNG SHING WIRE CO., LTD. :

### Opinion

We have audited the consolidated financial statements of JUNG SHING WIRE CO., LTD. and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheet as of December 31, 2022 and 2021, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( "IFRSs" ), International Accounting Standards ( "IASs" ), Interpretations developed by the International Financial Reporting Interpretations Committee ( "IFRIC" ) or the former Standing Interpretations Committee ( "SIC" ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

Please refer to Notes 4(h) "Inventories", Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(f) "Inventories" to the consolidated financial statements.

See accompanying notes to parent company only financial statements.

#### Description of key audit matter:

The inventory amount of the Group is stated at the lower of cost or net realizable value, since the sales price of the Group's products, enameled copper wire is affected by fluctuations in the price of its principal raw materials, copper; which may result in the risk of inventories cost being higher than the net realizable value. Therefore, the net realizable value assessment of inventories valuation has been identified as one of the key audit matters.

#### How the matter was addressed in our audit:

Our principal audit procedures included the following:

- Understanding the variation of sale prices used by the management and changes in market price of inventory in a period after the reporting date, to ensure the appropriateness of the net realizable value, and engage in sampling procedure to confirm the accuracy of the statement on net realizable values of inventory.
- View inventory pool aging reports to analyze inventory pool aging changes for each period. Then engage in sampling procedure to confirm the accuracy of inventory pool aging report.
- Review the accuracy of the Group's past provision for inventories to assess the appropriateness of the current valuation method and assumptions.
- Assess whether the Group's disclosure of information relating to inventory provisions is appropriate.

#### **Other Matter**

JUNG SHING WIRE CO., LTD. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

See accompanying notes to parent company only financial statements.

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

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

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

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

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

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

See accompanying notes to parent company only financial statements.

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 the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yen-Ta Su and Po-Jen Yang.

KPMG

Taipei, Taiwan (Republic of China)  
March 9, 2023

#### **Notes to Readers**

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

See accompanying notes to parent company only financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents(note (6)(a))	\$ 702,666	21	896,758	25	2100	Short-term borrowings(notes (6)(l)and (8))	\$ 537,500	16	948,000	26
1110	Current financial assets at fair value through profit or loss-current(note (6)(b))	214,670	7	78,275	2	2110	Short-term notes and bills payable(note (6)(l))	-	-	180,000	5
1136	Current financial assets at amortised cost-current(note (6)(c))	4,950	-	-	-	2170	Notes payables and trade payable	80,122	3	86,008	2
1150	Notes receivable(notes (6)(d), (t)and (7))	34,762	1	63,653	2	2180	Trade payable to related parties(note (7))	32,276	1	23,627	1
1170	Trade receivable, net(notes (6)(d)and (t))	625,744	19	819,359	23	2200	Other payables(notes (6)(o)and (7))	107,759	3	155,408	4
1181	Trade receivable due from related parties(notes (6)(d), (t)and (7))	35,040	1	29,063	1	2230	Current tax liabilities	8,790	-	25,155	1
1200	Other receivables(note (6)(e))	5,542	-	22,338	1	2300	Other current liabilities(notes (6)(t)and (9))	33,789	1	33,990	1
1220	Current tax assets	6,879	-	12,952	-	2322	Long-term borrowings, current portion(note (6)(l))	42,000	1	33,513	1
130X	Inventories(note (6)(f))	353,124	11	389,607	11		<b>Current liabilities Total</b>	<b>842,236</b>	<b>25</b>	<b>1,485,701</b>	<b>41</b>
1410	Prepayments and other current assets(note (6)(h))	41,468	1	46,412	1		<b>Non-Current liabilities:</b>				
	<b>Total current assets</b>	<b>2,024,845</b>	<b>61</b>	<b>2,358,417</b>	<b>66</b>	2500	Non-current financial liabilities at fair value through profit or loss(notes (6)(b)and (m))	1,860	-	-	-
	<b>Non-current assets:</b>					2530	Bonds payable(note (6)(m))	188,938	6	-	-
1600	Property, plant and equipment(notes (6)(h), (8)and (9))	1,145,042	35	1,122,489	31	2540	Long-term borrowings(note (6)(l))	61,500	2	110,342	3
1755	Right-of-use assets(note (6)(i))	72,659	3	70,468	2	2570	Deferred tax liabilities(note (6)(p))	74,317	2	73,353	2
1760	Investment property, net(notes (6)(j)and (n))	1,462	-	2,470	-	2640	Net defined benefit liability, non-current(note (6)(o))	-	-	6,437	-
1821	Intangible assets	2,402	-	-	-	2645	Othrt non-current liabilities	1,018	-	1,586	-
1840	Deferred tax assets(note (6)(p))	14,920	-	17,380	-		<b>Non-current liabilities Total</b>	<b>327,633</b>	<b>10</b>	<b>191,718</b>	<b>5</b>
1920	Refundable deposits	11,721	-	11,803	-		<b>Total liabilities</b>	<b>1,169,869</b>	<b>35</b>	<b>1,677,419</b>	<b>46</b>
1975	Net defined benefit asset, non-current(note (6)(o))	4,105	-	-	-		<b>Equity attributable to owners of parent (notes (6)(g), (m)and (q)):</b>				
1995	Other non-current assets(notes (6)(h)and (k))	20,759	1	32,218	1	3100	Capital stock	1,577,332	48	1,442,332	40
	<b>Total non-current assets</b>	<b>1,273,070</b>	<b>39</b>	<b>1,256,828</b>	<b>34</b>	3200	Capital surplus	182,250	5	75,865	2
	<b>Total assets</b>	<b>\$ 3,297,915</b>	<b>100</b>	<b>3,615,245</b>	<b>100</b>	3300	Retained earnings	448,767	14	526,095	15
						3400	Other equity interest	(104,052)	(3)	(140,066)	(4)
							<b>Total equity attributable to owners of parent:</b>	<b>2,104,297</b>	<b>64</b>	<b>1,904,226</b>	<b>53</b>
						36XX	<b>Non-controlling interests</b>	<b>23,749</b>	<b>1</b>	<b>33,600</b>	<b>1</b>
							<b>Total equity</b>	<b>2,128,046</b>	<b>65</b>	<b>1,937,826</b>	<b>54</b>
							<b>Total liabilities and equity</b>	<b>\$ 3,297,915</b>	<b>100</b>	<b>3,615,245</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>For the Year Ended December 31,</b>			
		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b> (notes (6)(t)and (7))	\$ 3,581,378	100	4,619,634	100
5000	<b>Operating costs</b> (notes (6)(f), (o), (r), (u), (7)and (12))	3,329,477	93	4,063,671	88
5900	<b>Gross profit from operations</b>	251,901	7	555,963	12
6000	<b>Operating expenses</b> (notes (6)(d), (n), (o), (r), (u), (7)and (12)):				
6100	Selling expenses	48,353	1	50,872	1
6200	Administrative expenses	223,296	6	218,552	5
6300	Research and development expenses	18,726	1	17,671	-
6450	Expected credit loss (gain)	4,105	-	(491)	-
	<b>Total operating expenses</b>	294,480	8	286,604	6
6900	<b>Net operating income (loss)</b>	(42,579)	(1)	269,359	6
7000	<b>Non-operating income and expenses</b> (notes (6)(l), (m), (n), (v)and (12)):				
7100	Interest income	2,941	-	1,886	-
7010	Other income	6,118	-	6,567	-
7020	Other gains and losses	110,158	3	(13,245)	-
7050	Finance costs	(12,110)	-	(10,022)	-
	<b>Total non-operating income and expenses</b>	107,107	3	(14,814)	-
7900	<b>Profit before income tax</b>	64,528	2	254,545	6
7951	<b>Less: income tax expenses</b> (note (6)(p))	23,869	1	48,679	1
8200	<b>Profit (loss)</b>	40,659	1	205,866	5
8300	<b>Other comprehensive income</b> (notes (6)(o), (p)and (q)):				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	2,465	-	(2,751)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	493	-	(550)	-
		1,972	-	(2,201)	-
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	36,014	1	3,487	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		36,014	1	3,487	-
8300	<b>Other comprehensive income</b>	37,986	1	1,286	-
8500	<b>Total comprehensive income</b>	<b>\$ 78,645</b>	<b>2</b>	<b>207,152</b>	<b>5</b>
	<b>Profit, (loss) attributable to:</b>				
8610	Owners of parent	\$ 50,510	1	209,742	5
8620	Non-controlling interests	(9,851)	-	(3,876)	-
		<b>\$ 40,659</b>	<b>1</b>	<b>205,866</b>	<b>5</b>
	<b>Comprehensive income (loss) attributable to:</b>				
8710	Owners of parent	\$ 88,496	2	211,028	5
8720	Non-controlling interests	(9,851)	-	(3,876)	-
		<b>\$ 78,645</b>	<b>2</b>	<b>207,152</b>	<b>5</b>
	<b>Earnings per share (Unit: NTD)(note (6)(s))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 0.33</b>		<b>1.45</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 0.33</b>		<b>1.45</b>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
**(In Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Total other equity interest		Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent		
<b>Balance at January 1, 2021</b>	\$ 1,442,332	75,660	62,813	139,483	202,798	405,094	(143,553)	1,779,533	17,602	1,797,135
Profit (loss)	-	-	-	-	209,742	209,742	-	209,742	(3,876)	205,866
Other comprehensive income	-	-	-	-	(2,201)	(2,201)	3,487	1,286	-	1,286
Total comprehensive income	-	-	-	-	207,541	207,541	3,487	211,028	(3,876)	207,152
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	14,590	-	(14,590)	-	-	-	-	-
Special reserve appropriated	-	-	-	4,070	(4,070)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(86,540)	(86,540)	-	(86,540)	-	(86,540)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	20,079	20,079
Changes in a parent's ownership interest in a subsidiary	-	205	-	-	-	-	-	205	(205)	-
<b>Balance at December 31, 2021</b>	<b>1,442,332</b>	<b>75,865</b>	<b>77,403</b>	<b>143,553</b>	<b>305,139</b>	<b>526,095</b>	<b>(140,066)</b>	<b>1,904,226</b>	<b>33,600</b>	<b>1,937,826</b>
Profit (loss)	-	-	-	-	50,510	50,510	-	50,510	(9,851)	40,659
Other comprehensive income	-	-	-	-	1,972	1,972	36,014	37,986	-	37,986
Total comprehensive income	-	-	-	-	52,482	52,482	36,014	88,496	(9,851)	78,645
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	20,754	-	(20,754)	-	-	-	-	-
Reversal of special reserve	-	-	-	(3,487)	3,487	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(129,810)	(129,810)	-	(129,810)	-	(129,810)
Capital increase by cash	135,000	66,955	-	-	-	-	-	201,955	-	201,955
Recognized compensation costs on employee stock option	-	7,202	-	-	-	-	-	7,202	-	7,202
Share option-equity components recognized for convertible bonds issued	-	32,228	-	-	-	-	-	32,228	-	32,228
<b>Balance at December 31, 2022</b>	<b>\$ 1,577,332</b>	<b>182,250</b>	<b>98,157</b>	<b>140,066</b>	<b>210,544</b>	<b>448,767</b>	<b>(104,052)</b>	<b>2,104,297</b>	<b>23,749</b>	<b>2,128,046</b>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**JUNG SHING WIRE CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Cash inflow generated from operations	<b>376,569</b>	<b>138,965</b>
Interest received	<b>2,386</b>	<b>1,719</b>
Dividends received	<b>91</b>	<b>-</b>
Interest paid	<b>(9,805)</b>	<b>(9,788)</b>
Income taxes paid	<b>(31,230)</b>	<b>(37,069)</b>
Net cash flows from (used in) operating activities	<b>338,011</b>	<b>93,827</b>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	<b>(4,950)</b>	<b>-</b>
Acquisition of financial assets at fair value through profit or loss	<b>(628,243)</b>	<b>(191,302)</b>
Proceeds from disposal of financial assets at fair value through profit or loss	<b>500,739</b>	<b>305,925</b>
Acquisition of property, plant and equipment	<b>(104,310)</b>	<b>(228,624)</b>
Proceeds from disposal of property, plant and equipment	<b>892</b>	<b>3,470</b>
Increase in other financial assets	<b>-</b>	<b>2,848</b>
Decrease in refundable deposits	<b>58</b>	<b>129</b>
Decrease (increase) in other non-current assets	<b>1,852</b>	<b>(26,787)</b>
Net cash flows from (used in) investing activities	<b>(233,962)</b>	<b>(134,341)</b>
Cash flows from (used in) financing activities:		
Increase in short-term loans	<b>290,000</b>	<b>407,412</b>
Decrease in short-term loans	<b>(703,770)</b>	<b>(10,200)</b>
Decrease in short-term notes and bills payable	<b>(180,000)</b>	<b>-</b>
Proceeds from long-term borrowings	<b>-</b>	<b>5,091</b>
Repayments of long-term borrowings	<b>(40,355)</b>	<b>(6,080)</b>
Proceeds from issuance of convertible bonds	<b>218,925</b>	<b>-</b>
Increase (decrease) in other non-current liabilities	<b>(882)</b>	<b>139</b>
Cash dividends paid	<b>(129,810)</b>	<b>(86,540)</b>
Capital increase by cash	<b>201,955</b>	<b>-</b>
Contribution by non-controlling interests	<b>-</b>	<b>20,079</b>
Net cash flows from (used in) financing activities	<b>(343,937)</b>	<b>329,901</b>
Effect of exchange rate changes on cash and cash equivalents	<b>45,796</b>	<b>(21,353)</b>
Net increase (decrease) in cash and cash equivalents	<b>(194,092)</b>	<b>268,034</b>
Cash and cash equivalents at beginning of period	<b>896,758</b>	<b>628,724</b>
Cash and cash equivalents at end of period	<b>\$ 702,666</b>	<b>896,758</b>

See accompanying notes to consolidated financial statements.

Proposed by the board of directors

(2) 2022 earnings distribution proposal, for your approval

Explanation: 1. Earnings distribution statement is as follows:

2. The Company's profit after tax of the year 2022 was NT\$ 50,510,491, according to articles of incorporation and relevant regulations, added distributable earnings after adjusted, actual distributable earnings was NT\$ 241,309,729, used the number of outstanding shares of the Company was 157,733,235 shares, allocated cash dividend was NT\$ 0.3 for all shareholders' shareholding, the sum was NT\$ 47,319,971, and cash dividends shall be calculated to dollar, with amounts of less than NT\$ 1.00 unconditionally rounded down, and the fractional sum of less than NT\$ 1.00 was recognized in other revenues.
3. After the proposal is approved at a regular shareholders' meeting, the board of directors is authorized to set ex-dividend date and payment date.
4. As the total number of outstanding stocks led into the variation before ex-dividend date, and it caused that payout ratio changed, the chairman was authorized to handle with full discretion.
5. After the preceding earning distortion proposal was approved by a resolution of board of directors, and it shall be submitted to audit committee for review, for your approval.

Resolution:

JUNG SHING WIRE CO., LTD.

Earnings Distribution Statement

Year 2022

Unit: NTD

Item	Amount
Beginning undistributed earnings	158,061,525
Net profit after tax	50,510,491
Plus: Actuarial profit of defined benefit plans	1,972,000
Plus: Reversal special reserve	36,013,962
Minus: legal reserve	(5,248,249)
Distributable earnings	241,309,729
Distributed item: cash dividend of common stock — NT\$ 0.3/share	47,319,971
Unappropriated retained earnings	193,989,758

Chairman: Wang, Tung-Tzer    Managerial officer: Chiu, Sho-Chi    Accounting in charge: Hsueh, Tien-Te

V. Extemporary Motions

VI. Adjournment

## Appendix I

### JUNG SHING WIRE CO., LTD. Rules of Procedures for Shareholders Meetings

1. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
2. 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 total number of shares represented shall be calculated by handing in a sign-in card.
3. Attendance and vote at shareholders' meetings shall be calculated based on numbers of shares.
4. 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.
5. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.  
A shareholders' meeting is convened by a party with the power to convene, the party shall be served as the chair.
6. 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.  
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting, and the voting and the recorded materials shall be retained for at least one year.
8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 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.
9. If a shareholders' meeting is convened 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.  
When the meeting adjourned, shareholders shall not resume the meeting at another venue; however, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders.
10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.  
A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.  
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.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
12. When a juristic person attends a shareholders' meeting by proxy, a juristic person can only appoint one person representing to attend.  
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.
13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, a vote shall be put.
15. 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.  
Results of election shall be reported on site, and a record shall be made.
16. When a meeting is in progress, the chair may announce a break based on time considerations.
17. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.  
At the time of a vote, when the chair consults without dissents, a proposal is regarded to be approved, and its effectiveness is same as votes.
18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
19. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear armband bearing the word "Proctor."
20. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

## Appendix II

# JUNG SHING WIRE CO., LTD. Articles of Incorporation

### Chapter 1 General Provision

Article 1: The Company organized in accordance with the Company Act, named “榮星電線工業股份有限公司”.

Article 2: The Company established the head office in Tainan City, shall establish branches in domestic foreign places after approved by a resolution of the board of directors when it's necessary.

Article 3: The Company's operating business is as follow:

1. CC01020 Electric Wires and Cables Manufacturing
2. CC01080 Electronic Component Manufacturing
3. F401010 International Trade
4. ZZ99999 except licensing business, all business items that are not prohibited or restricted by law.

Article 4: The Company may make guarantees for other companies, reinvest in other business as business needs.

Article 5: The Company's investment in other business shall not apply to the Company Act “reinvestment shall not exceed 40% of the Company's paid-in share capital.

Article 6: The Company's announcement methods shall be conducted in accordance with Article 28 of the Company Act.

### Chapter 2. Shares

Article 7: The Company's total capital was set as NT\$ 3 billion, separated into 300 million common stocks, the price per share was NT\$ 10; regarded as business needs, unissued shares were issued by authorized board of directors in several times.

Article 8: The Company's shares were registered, and shall be numbered, signed or sealed by shareholders representing the Company, and issued in an accordance with the competent authority or its audited issuance and registration institutions after certified.

Shares issued by the Company may be exempted from printing, and Taiwan Depository & Clearing Corporation shall be contacted for registration.

Article 9: When the Company issues new shares, the shares may be consolidated printed as the total number of issuance this time or exempted from printing,

According to the preceding issued shares shall not apply to the regulation of numbering shares, and the Company shall contact Taiwan Depository & Clearing Corporation for custody or registration.

Article 10: When the Company's shareholders conduct share affairs matters, like share transfer, setting pledge of rights, lost, inheritance, grant and seal lost and altering or address change, etc., and exercise all rights, except laws and the provisions otherwise prescribed by Securities Act, shall be conducted in accordance with “Regulations Governing the Administration of Shareholder Services of Public Companies”.

Article 11: Share transfer registration shall not be altered within 60 days prior to the convening date of each regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

### Chapter 3. Shareholders' meeting

Article 12: The company shall hold two types of shareholders' meetings: regular meetings and special meetings. A regular meeting shall be held once every year within six months after the end of each fiscal year, and notice shall be given to all shareholders at least thirty days in advance. A special meeting shall be convened when necessary, and notice shall be given to all shareholders at least fifteen days in advance. Meeting date, place and convenance reasons shall be specified in the preceding notification.

Except the provisions otherwise prescribed by the Company Act, a shareholders' meeting shall be convened by the board of directors.

When the Company's shareholders' meeting is convened, shall be made by means of visual communication network or other methods announced by the competent authority.

Article 13: When a shareholder can't attend a shareholders' meeting, shall appoint a proxy issued by the Company, authorization scope shall be specified of appointing a proxy to attend. However, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Shareholders appoint to attend method, except the provisions otherwise prescribed by the Company Act, shall be conducted in accordance with “Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies” issued by the competent authority.

Article 14: Except the provisions otherwise prescribed by the Company Act, the chairman shall be the chair of a shareholders' meeting, in case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors, to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors, and a shareholders' meeting shall be conducted in accordance with the Company's rules governing the proceedings of meetings.

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

Article 16: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by the Company Act.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 hereof, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

#### Chapter 4. Board of Directors and Audit Committee

Article 17: The Company has seven to nine directors, and shall be elected from among the shareholders with disposing capacity in a shareholders' meeting, the term of office is three years, and they may be eligible for re-election,

A candidate nomination system shall be adopted, shareholders shall elect from the list of shareholder candidates. Exercising relevant matters shall be conducted in accordance with the Company Act, Security Exchange Act and other relevant laws.

The amount of directors in first paragraph, the number of independent directors shall not be less than two persons, and no less than one-fifth of directors' number, independent director's professional qualification, shareholding, part-time limit, independence recognition, nomination and election method and other following matters, shall be conducted in accordance with regulations of the securities competent authority. Independent directors and non-independent directors shall be elected together, and elected number shall be separately calculated.

Article 17-1: Directors' remuneration of the Company shall be determined by authorized board of directors' meeting in accordance with in accordance with payment of the general level of the same industry.

Article 18: Directors organized the board of directors, the chairman shall be elected among directors, managing the Company's all business internally, representing the company externally, and the board of directors shall elect a vice chairman of the board directors from among the directors, he/she assistants the chairman handling affairs.

Article 18-1: The chairman regards the Company's business needs, insures liability for directors, managerial officers or employees, etc.

Article 19: Meetings of the board of directors shall be convened by the chairman of the board of directors. When a shareholders' meeting is held, the chairman shall be the chair, in case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.

In case a board of directors' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

When a director is absent, shall issue a proxy, authorized scope shall be specified, and appoints other director to attend in his/her behalf.

The convenance of the Company's board of directors' meeting shall be notified all directors within 7

days before the meeting date. In the case of emergency, a meeting of the board of directors may be convened at any time.

In calling a meeting of the board of directors, a notice in the preceding paragraph shall set forth therein the subject(s) to be discussed at the meeting, shall be made by written, E-mail or fax.

Article 20: Except the provisions otherwise prescribed by the Company Act, shall be decided by a resolution shall be adopted to conduct by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company.

Article 21: Audit committee exercises relevant duties in accordance with laws, and may attend the meeting of board of directors to express opinions without voting rights.

#### Chapter 5. Managerial Officer

Article 22: The Company may appoint several general managers and vice general manager.

Article 23: The Company's fiscal year is from January 1 to December 31 each year, at the close of the fiscal year, the board of directors shall prepare the following statements and records and shall forward to a regular shareholders' meeting the same for approval:

(1) The business report.

(2) The financial statements.

(3) The surplus earning distribution or loss off-setting proposals.

Article 24: When the Company has an amount of profit, shall allocate not less than 0.5% as employees' remuneration, however, when the Company has loss, shall be recovered.

The preceding term "an amount of profit" means pre-tax benefits deducted the benefits before employees' and directors' remuneration.

Distribution of employees' remuneration and directors' remuneration shall be conducted upon adoption of a resolution by a majority voting of the directors present at a meeting of its board of directors attended by two-thirds of the directors of the company, and reported to a shareholders' meeting.

Employee's remuneration shall be paid by shares or cash, the distributed objects are including the employees of parents or subsidiaries of the Company meeting certain specific requirements.

When the Company has surplus in final accounts each year, except paying all taxes in accordance with laws, shall recover loss in previous years first, then the balance shall be allocated 10% as surplus reserve, and recognized or reversed special surplus reserve in accordance with business needs, and the rest shall be programmed surplus distribution proposal made by the board of directors, and reported to a shareholders' meeting for a resolution to distribute.

The Company's industry characteristic is stable, and a long and sustainable business, to enhance the Company's financial structure and protect investors' equity, the Company adopts balanced dividend policy, and comprehensively considering additional paid-In capital, retained earnings and profit situation of the future, its distribution proportion, cash dividend shall not less than 5% of the sub of paid cash and stock dividend of the current year, however, when the surplus and capital are abundant in the future, distribution proportion shall be raised.

All of a part of the Company's distributed dividend and bonus or legal reserve and additional paid-In capital shall be paid bay cash, and authorized the board of directors to conduct upon adoption of a resolution by a majority voting of the directors present at a meeting of its board of directors attended by two-thirds of the directors of the company, and reported to a shareholders' meeting.

#### Chapter 7. Supplemental Provisions

Article 25: The Company's organizational regulations and the handing rules may be prescribed separately.

Article 26: Unsettled affairs of the Articles of Incorporation shall be handled in accordance with the Company Act and other regulations.

Article 27: The Articles of Incorporation was drawn up on July 10, 1971.

The 1st amendment was made on February 21, 1973.

The 2nd amendment was made on August 17, 1974.

The 3rd amendment was made on June 18, 1977.

The 4th amendment was made on June 22, 2001.

The 5th amendment was made on June 15, 1979.

The 6th amendment was made on March 1, 1980.

The 7th amendment was made on May 10, 1981.

The 8th amendment was made on July 30, 1982.

The 9th amendment was made on March 12, 1983.

The 10th amendment was made on October 31, 1983.

The 11th amendment was made on January 22, 1986.

The 12th amendment was made on May 12, 1986.

The 13th amendment was made on April 10, 1987.  
The 14th amendment was made on December 19, 1987.  
The 15th amendment was made on March 19, 1988.  
The 16th amendment was made on April 14, 1990.  
The 17th amendment was made on July 15, 1991.  
The 18th amendment was made on May 16, 1992.  
The 19th amendment was made on May 8, 1993.  
The 20th amendment was made on May 28, 1994.  
The 21st amendment was made on November 26, 1994.  
The 22nd amendment was made on June 10, 1995.  
The 23rd amendment was made on May 31, 1996.  
The 24th amendment was made on May 30, 1997.  
The 25th amendment was made on April 24, 1998.  
The 26th amendment was made on June 21, 2000.  
The 27th amendment was made on June 22, 2001.  
The 28th amendment was made on June 18, 2002.  
The 29th amendment was made on June 24, 2003.  
The 30th amendment was made on June 24, 2003.  
The 31st amendment was made on June 24, 2004.  
The 32nd amendment was made on June 14, 2005.  
The 33rd amendment was made on June 21, 2007.  
The 34th amendment was made on June 16, 2009.  
The 35th amendment was made on June 29, 2010.  
The 36th amendment was made on June 21, 2011.  
The 37th amendment was made on June 24, 2015.  
The 38th amendment was made on June 14, 2016.  
The 39th amendment was made on June 17, 2020.  
The 40th amendment was made on June 14, 2022.  
It took affect from the date of a resolution of a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

JUNG SHING WIRE CO.,LTD.  
Chairman: Wang, Tung-Tzer



## Appendix III

JUNG SHING WIRE CO., LTD.  
Directors' and Independent Directors' Shareholding Statement

The record date: April 14, 2023

Title	Name	Elected date	Shareholding number on April 14, 2023			Remark
			Type	Share number	Accounted for issuing of the current year (%)	
Chairman	Wang, Tung-Tzer	June 14, 2022	Common stock	1,306,241	0.83%	
Vice chairman	Representative of Furukawa Magnet Wire Co., LTD.:Hasegawa Shigeyuki	June 14, 2022	Common stock	31,546,647	20.00%	
Director	Wang, Tong-Shien	June 14, 2022	Common stock	1,704,480	1.08%	
Director	Representative of Taya Electric Wire and Cable Co., Ltd.: Shen, Shang-Hung	June 14, 2022	Common stock	39,862,065	25.27%	
Independent director	Fang, Hueh-Ling	June 14, 2022	Common stock	0	0	
Independent director	Hung, Kuo-Chao	June 14, 2022	Common stock	0	0	
Independent director	Shih, Ta-Kun	June 14, 2022	Common stock	0	0	
Sum				74,419,433	47.18%	

The total number of issuing shares on April 14, 2023: 157,733,235 shares.

Note: 1. The legal number of shareholding of the Company's all directors was 9,463,994 shares, as of April 14, 2023, the shareholding number was 74,419,433 shares.

2. Independent directors' shareholding shall not include in directors' shareholding number.

3. The Company established audit committee, legal shareholding number without supervisors shall not apply.