

Stock code: 1608

Hua Eng Wire & Cable Co., Ltd.
2023 Annual General Meeting of
Shareholders

Meeting Agenda

Convening method: In-person

Meeting Time: June 21, 2023

Meeting Venue: No. 30, Gaonan Highway, Renwu
District, Kaohsiung City

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Hua Eng Wire & Cable Co., Ltd.

2023 Annual General Shareholders' Meeting Agenda

Convening method: In-person

Time: June 21, 2023, 9:30 AM

Venue: No. 30, Gaonan Highway, Renwu District, Kaohsiung City

One. Call the Meeting to order

Two. Chairman's Remarks

Three. Status Reports

- (i) 2022 Business Report
- (ii) Audit Committee's review report for 2022 audited financial Statements
- (iii) Report on the distributable compensation for employees and directors in 2022.

Four. Approval Items

- (i) Recognition of the Company's 2022 business report and financial statements.
- (ii) Recognition of the statement for distribution of earnings for 2022.

Five. Discussion and Election Items

- (i) Amendment to the Company's "Rules for Election of Directors", the proposal for which is submit for discussion.
- (ii) Re-election of directors (including independent directors).
- (iii) Lifting of the non-competition restriction on the Company's new directors or their representatives, the proposal for which is submit for discussion.

Six. Extraordinary Motions

Seven. Adjournment

Three. Status Reports

- I. 2022 Business Report (Please refer to Page 7)
- II. Audit Committee's review report for 2022 audited financial Statements (Please refer to Page 8)
- III. Report on the distributable compensation for employees and directors in 2022.

The Company reported earnings before tax of NT\$96,121,263 for 2022 before the distribution of remunerations to employees and directors. Per decisions by Remuneration Committee and the Board of Directors and according to Article 42 of the Articles of Incorporation, NT\$2,883,638 (or 3% of earnings before tax) is allocated as remuneration to employees, NT\$480,606 (or 0.5%) as remuneration to directors. The distribution of remunerations is in cash and is handled by Chairman under full authorization.

Four. Approval Items

Proposal 1 Proposed by the Board of the Company
Subject: Please kindly ratify the Company's 2022 Business Report and Financial Statements

Explanation:

- (I) The Company's 2022 unconsolidated financial statements and consolidated financial statements were audited by CPA Hsu Chen-Lung and CPA Chen Yung-Hsiang from KPMG Taiwan. The financial statements and Business Report were then submitted to Audit Committee for review and a review report was issued accordingly.
- (II) Please refer to 2022 Business Report (page 7), Audit Committee's Review Report (page 8), review report by CPAs, unconsolidated financial statements and consolidated financial statements (pages 9-22). The complete financial reports are available at Market Observation Post System at

<https://mops.twse.com.tw/mops/web/index>

(III) Please kindly ratify the above.

Resolution:

Proposal 2 Proposed by the Board of the Company

Subject: Please kindly ratify the Company's distribution of 2022 earnings.

Explanation:

- (I) The Company's net loss in 2022 was NT\$36,463,981, after adding the undistributed retained earnings at the beginning, the remeasurements of defined benefit plans and others, the current undistributed earnings was NT\$271,524,491. The Company proposed to distribute cash dividends of NT\$0.4 per share to the shareholders, with a total of NT\$253,109,402 and the ending undistributed earnings after distribution is NT\$18,415,089.
- (II) The Company's table of 2022 profit distribution (page 23). After this profit distribution proposal is submitted to the shareholders' meeting for approval, the Chairman of the Board of Directors shall be authorized to determine relevant matters such as the base date and payment date of the cash dividends.
- (III) Please kindly ratify the above.

Resolution:

Five. Discussion and Election Items

Proposal 1 Proposed by the Board of the Company
Subject: Amendment to the Company's "Rules for Election of Directors", the proposal for which is submit for discussion.

Explanation:

- (I) In order to adopt the candidate nomination system for the election of directors and meet the needs of practical operation, some articles of the Company's " Rules for Election of Directors", are to be amended.
- (II) For the revised articles, please refer to the "Comparison Table of Revised Articles of the Rules for Election of Directors" on page 24 and 25, and the revised " Rules for Election of Directors of the Company" in the appendix.

Resolution:

Proposal 2 Proposed by the Board of the Company
Subject: Re-election of directors (including independent directors).

Explanation:

- (I) The term of office of the current directors of the Company (including independent directors) will expire on June 16 this year. It is proposed to conduct a comprehensive re-election in accordance with the law at the general shareholders' meeting this year.
- (II) According to the Articles of Association of the Company and the resolution of the board meeting on March 6, 2023, 7 directors (including 3 independent directors) are proposed to be elected in this election. The new directors will take office after the general shareholders' meeting. The current directors will be dismissed after the re-election, and the term of office of the new directors is three years, from June 21, 2023 to June

20, 2026

- (III) The election of directors (including independent directors) of the Company adopts a candidate nomination system, and elect directors from the list of candidates at the shareholders' meeting. (please refer to pages 26 to 28 for the list of director candidates.)
- (IV) Please proceed with the voting. (please refer to the election rules on page 35)

Election results:

Proposal 3 Proposed by the Board of the Company
Subject: Lifting of the non-competition restriction on the
 Company's new directors or their representatives, the
 proposal for which is submit for discussion.

Explanation:

- (I) According to Article 209 of the Company Act, if a director acts for himself or others within the business scope of the Company, he shall explain the important contents of his act to the shareholders' meeting and obtain its permission.
- (II) To be in line with the Company's expansion of business scope and diversified development, and to obtain the assistance from the expertise and experience of the directors of the Company, if the new directors or their representatives elected at the general shareholders' meeting have any non-competition act as stipulated in Article 209 of the Company Act, it is proposed to obtain the approval of the shareholders' meeting to lift the non-competition restriction on the new directors or their representatives without prejudice to the interests of the Company.

Resolution:

Six. Extraordinary Motions

Seven. Adjournment

Hua Eng Wire & Cable Co., Ltd.

2022 Business Report

I. 2022 Business Report

The consolidated operating revenue of the Company and its subsidiaries in 2022 was NTD 10,749,897 thousand; consolidated operating costs were NTD 10,220,776 thousand; consolidated operating expenses were NTD 188,515 thousand; consolidated operating income was NTD 340,606 thousand; consolidated non-operating losses were NTD 140,550 thousand; consolidated profit before income tax was NTD 200,056 thousand; consolidated income tax expense was NTD 110,308 thousand; consolidated net income was NTD 89,748 thousand; consolidated other comprehensive income was NTD 32,965 thousand; and the total comprehensive income was NTD 122,713 thousand.

II. 2023 Business Plan

1. The company actively engages in the special use of copper in the electric vehicle industry and flat copper wires for wind power generation. The required high-quality oxygen-free copper materials have been developed and mass-produced to meet customer needs.
2. Cooperate with the "Electrical Grid Resiliency Plan" of the country to maintain power supply quality and safe regional electrical grid construction, continue to strive for the production of 161 and 345kV ultra-high voltage underground cables and install turnkey projects.
3. In line with the development of domestic digital technology and the forward-looking 5G network construction plan, the demand for fiber optic cables will increase. The Company has planned to improve the system to respond to market competition.
4. The Company continues to strive for various cable needs such as solar energy, energy storage, offshore wind power and gas thermal power plants to increase our profits.
5. Renewed the machinery equipment, applied the assistance of intelligence, improved the production efficiency of the power lines and reduced production costs.

Chairman:

Manager:

Accounting Supervisor:

Audit Committee's Review Report

The Board of Directors prepared the Company's 2022 annual business report and financial statements (including parent company only financial statements and consolidated financial statements) and earnings distribution proposal. Among them, the financial statements have been audited by KPMG Taiwan accountants Hsu Chen-Lung and Chen Yung-Hsiang and an audit report has been issued. The Audit Committee has reviewed the Business Report, financial statements and proposal for profit distribution mentioned above and found non-conformity. The review report was issued in accordance with Article 14-4 of the Securities & Exchange Act and Article 219 of the Company Act.

Sincerely

2023 Annual General Meeting of Shareholders

Hua Eng Wire & Cable Co., Ltd.

Convener of Audit Committee: Chang Jinn-Der

March 6, 2023

Independent Auditors' Report

To the Board of Directors HUA ENG WIRE & CABLE CO., LTD.

Opinion

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

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 audit in accordance with the Regulations Governing Auditing and Certification 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 Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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. The key audit matters we judged shall be presented in the financial report as follows:

Valuation of inventory

Please refer to Note 4(g) for significant accounting policies on inventories and Note 5 for significant accounting assumptions and judgment, and major sources of estimation uncertainty, information regarding the inventory is shown in Note 6(f) of the financial statements.

Description of key audit matter:

The Company's inventories are wire, cable and copper products which are measured at the lower of cost and net realizable value. Since the selling price is affected by copper price which fluctuates wildly, the valuation of inventory is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures include assessing the reasonableness of inventory valuation and obsolescence, and evaluating the assumptions made by the management; corroborating, on a sample basis, by testing the accuracy of inventory aging, examining their net realizable value to the recent sales records and making an analysis on the trend of international copper price fluctuations.

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Cheng Lung, Hsu and Yung Hsiang, Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 6, 2023

Notes to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying 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' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)
HUA ENG WIRE & CABLE CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 64,674	1	195,946	2	2100	Short-term borrowings (note 6(m))	\$ 1,836,112	18	1,141,102	11
1110	Current financial assets at fair value through profit or loss (note 6(b))	699,224	7	874,922	8	2110	Short-term notes and bills payable (notes 6(m)(n))	119,943	1	199,978	2
1140	Current contract assets (note 6(v))	157,418	2	172,359	2	2130	Current contract liabilities (note 6(v))	32,483	-	10,306	-
1150	Notes receivable (note 6(d))	39,407	-	59,512	1	2150	Notes payable (notes 6(r))	5,540	-	5,497	-
1172	Accounts receivable (note 6(d))	1,424,632	14	1,112,296	10	2170	Accounts payable	330,014	3	303,609	3
1180	Accounts receivable from related parties (notes 6(d) and 7)	-	-	4,991	-	2180	Accounts payable to related parties (note 7)	88,512	1	68,355	1
1200	Other receivables (note 6(e))	36,672	-	33,044	-	2200	Other payables (note 6(r))	189,943	2	204,059	2
130X	Inventories (note 6(f))	2,283,871	22	2,026,293	19	2230	Current tax liabilities	83,934	1	137,755	1
1470	Other current assets (note 6(l))	42,191	-	12,681	-	2280	Current lease liabilities (note 6(p))	16,418	-	16,181	-
	Total current assets	4,748,089	46	4,492,044	42	2300	Other current liabilities (note 6(o))	4,177	-	4,214	-
							Total current liabilities	2,707,076	26	2,091,056	20
Non-current assets:						Non-Current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	1,698,220	16	2,140,593	20	2570	Deferred tax liabilities (note 6(s))	523,075	5	521,390	5
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	72,899	1	70,229	1	2580	Non-current lease liabilities (note 6(p))	197,273	2	213,691	2
1550	Investments accounted for using equity method (note 6(g))	592,862	6	658,742	6	2640	Non-current net defined benefit liability (note 6(r))	-	-	30,656	-
1600	Property, plant and equipment (note 6(h))	2,139,906	20	2,083,343	20	2645	Guarantee deposits received	3,499	-	5,705	-
1755	Right-of-use-assets (note 6(i))	274,073	3	296,913	3		Total non-current liabilities	723,847	7	771,442	7
1760	Investment property, net (note 6(j))	833,318	8	886,784	8		Total liabilities	3,430,923	33	2,862,498	27
1780	Intangible assets (note 6(k))	425	-	445	-	Equity attributable to owners of parent (note 6(t)):					
1840	Deferred tax assets (note 6(s))	18,053	-	20,857	-	3110	Ordinary share	6,327,735	61	6,327,735	59
1920	Refundable deposits (note 6(e))	141	-	291	-	3200	Capital surplus	238,719	2	115,333	1
1975	Non-current net defined benefit assets (note 6(r))	7,672	-	-	-	3300	Retained earnings:				
1990	Other non-current assets, others (note 6(l))	8,875	-	13,057	-	3310	Legal reserve	234,075	2	96,845	1
	Total non-current assets	5,646,444	54	6,171,254	58	3320	Special reserve	884,911	8	884,911	8
						3350	Unappropriated retained earnings	271,525	3	1,372,296	13
								1,390,511	13	2,354,052	22
						3400	Other equity	(24,684)	-	(27,649)	-
						3500	Treasury shares	(968,671)	(9)	(968,671)	(9)
							Total equity	6,963,610	67	7,800,800	73
	Total assets	\$ 10,394,533	100	10,663,298	100		Total liabilities and equity	\$ 10,394,533	100	10,663,298	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

HUA ENG WIRE & CABLE 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)

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100 Operating revenues (notes 6(v) and 7)	\$ 7,926,122	100	7,341,649	100
5000 Operating costs (notes 6(f)(r)(w), 7 and 12)	7,374,404	93	6,699,714	91
5900 Gross profit	551,718	7	641,935	9
6000 Operating expenses (notes 6(r)(w), 7 and 12)	119,579	2	137,400	2
6900 Net operating income	432,139	5	504,535	7
7000 Non-operating income and expenses (notes 6(b)(g)(h)(j)(o)(p)(q)(x) and 7):				
7100 Interest income	159	-	33	-
7010 Other income	140,725	2	111,077	2
7020 Other gains and losses, net	(421,836)	(5)	823,166	11
7050 Finance costs	(19,186)	-	(12,305)	-
7060 Share of profit (loss) of subsidiaries and associates accounted for using equity method, net	(39,244)	-	116,412	2
	<u>(339,382)</u>	<u>(3)</u>	<u>1,038,383</u>	<u>15</u>
7900 Profit before income tax	92,757	2	1,542,918	22
7950 Less: Income tax expenses (note 6(s))	129,221	2	154,775	2
8200 Profit (loss)	<u>(36,464)</u>	<u>-</u>	<u>1,388,143</u>	<u>20</u>
8300 Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss:				
8311 Remeasurements of defined benefit plans (note 6(r))	21,283	-	(19,433)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(y))	2,818	-	13,114	-
8330 Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	5,204	-	(5,170)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(s))	4,257	-	(8,775)	-
8300 Other comprehensive income (after tax)	25,048	-	(2,714)	-
8500 Comprehensive income	<u>\$ (11,416)</u>	<u>-</u>	<u>1,385,429</u>	<u>20</u>
Earnings per share (note 6(u)):				
9750 Basic earnings per share (in New Taiwan Dollars)	<u>\$ (0.09)</u>		<u>3.27</u>	
9850 Diluted earnings per share (in New Taiwan Dollars)	<u>\$ (0.09)</u>		<u>3.25</u>	

See accompanying notes to financial statements.

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

HUA ENG WIRE & CABLE 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					Other equity		Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	
Balance at January 1, 2021	\$ 6,327,735	57,753	64,997	1,039,697	320,004	(40,782)	(968,671)	6,800,733
Profit for the year ended December 31, 2021	-	-	-	-	1,388,143	-	-	1,388,143
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(15,847)	13,133	-	(2,714)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,372,296	13,133	-	1,385,429
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	31,848	-	(31,848)	-	-	-
Reversal of special reserve	-	-	-	(154,786)	154,786	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(442,942)	-	-	(442,942)
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	57,580	-	-	-	-	-	57,580
Balance at December 31, 2021	6,327,735	115,333	96,845	884,911	1,372,296	(27,649)	(968,671)	7,800,800
Loss for the year ended December 31, 2022	-	-	-	-	(36,464)	-	-	(36,464)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	22,234	2,814	-	25,048
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	(14,230)	2,814	-	(11,416)
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	137,230	-	(137,230)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(949,160)	-	-	(949,160)
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	123,386	-	-	-	-	-	123,386
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(151)	151	-	-
Balance at December 31, 2022	\$ 6,327,735	238,719	234,075	884,911	271,525	(24,684)	(968,671)	6,963,610

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
HUA ENG WIRE & CABLE CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Profit before tax	\$ 92,757	1,542,918
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	126,773	121,240
Amortization expense	120	30
Net (gain) loss on financial assets at fair value through profit or loss	565,590	(830,719)
Interest expense	19,186	12,305
Interest income	(159)	(33)
Dividend income	(90,537)	(65,280)
Share of (gain) loss of subsidiaries and associates accounted for using equity method	39,244	(116,412)
Gain on disposal of property, plant and equipment	(193)	(144)
Gain on disposal of investment property	(150,166)	-
Loss on disposal of investments	180	3,116
Gain on disposal of accounted for using equity method	(370)	-
Provision (reversal) for liabilities	259	(493)
Total adjustments to reconcile profit (loss)	509,927	(876,390)
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease (increase) in contract assets	14,941	(103,369)
Decrease (increase) in notes receivable	20,105	(49,991)
Increase in accounts receivable	(312,336)	(382,521)
Decrease in accounts receivable from related parties	4,991	5,930
Increase in other receivables	(1,252)	(876)
Increase in inventories	(257,578)	(514,016)
Increase in other current assets	(29,510)	(4,548)
Total net changes in operating assets	(560,639)	(1,049,391)
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	22,177	(942)
Increase in notes payable	43	297
Increase in accounts payable	26,405	54,084
Increase in accounts payable to related parties	20,157	51,036
Increase (decrease) in other payable	(54,002)	82,525
Increase (decrease) in other current liabilities	(296)	699
Decrease in net defined benefit liabilities	(17,045)	(7,570)
Total net changes in operating liabilities	(2,561)	180,129
Total net changes in operating assets and liabilities	(563,200)	(869,262)
Total adjustments	(53,273)	(1,745,652)
Cash inflow (outflow) generated from operations	39,484	(202,734)
Interest received	159	33
Dividends received	234,943	178,735
Interest paid	(12,196)	(10,878)
Income taxes paid	(182,810)	-
Net cash flows from (used in) operating activities	79,580	(34,844)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	-	(10,701)
Proceeds from disposal of financial assets at fair value through profit or loss	52,301	906,670
Proceeds from disposal of financial assets at fair value through other comprehensive income	148	-
Proceeds from disposal of accounted for using equity method	11,190	-
Proceeds from liquidation in equity investment	-	1,860
Acquisition of property, plant and equipment	(146,355)	(70,706)
Proceeds from disposal of property, plant and equipment	217	1,685
Proceeds from disposal of investment property	201,192	-
Increase in refundable deposits	(2,226)	(28,984)
Acquisition of intangible assets	(100)	(475)
Acquisition of investment property	-	(794)
Increase in prepayments for equipment	-	(4,182)
Net cash flows from investing activities	116,367	794,373
Cash flows used in financing activities:		
Increase in short-term borrowings	695,010	291,052
Decrease in short-term notes and bills payable	(80,731)	(701,016)
Increase (decrease) in guarantee deposits received	(1,025)	2,387
Payment of lease liabilities	(19,266)	(13,923)
Cash dividends paid	(921,207)	(445,905)
Net cash flows used in financing activities	(327,219)	(867,405)
Net decrease in cash and cash equivalents	(131,272)	(107,876)
Cash and cash equivalents at beginning of period	195,946	303,822
Cash and cash equivalents at end of period	\$ 64,674	195,946

See accompanying notes to financial statements.

Independent Auditors' Report

To the Board of Directors HUA ENG WIRE & CABLE CO., LTD.

Opinion

We have audited the consolidated financial statements of HUA ENG WIRE & CABLE CO., LTD. (“the Company”) and subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 audit 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. The key audit matters we judged shall be presented in the financial report as follows:

Valuation of inventory

Please refer to Note 4(h) for significant accounting policies on inventories and Note 5 for significant accounting assumptions and judgment, and major sources of estimation uncertainty, information regarding the inventory is shown in Note 6(g) of the consolidated financial statements.

Description of key audit matter:

The Group's inventories are wire, cable and copper products which are measured at the lower of cost and net realizable value. Since the selling price is affected by copper price which fluctuates wildly, the valuation of inventory is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures include assessing the reasonableness of inventory valuation and obsolescence, and evaluating the assumptions made by the management; corroborating, on a sample basis, by testing the accuracy of inventory aging, examining their net realizable value to the recent sales records and making an analysis on the trend of international copper price fluctuations.

Other Matter

The Company 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, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 Cheng Lung, Hsu and Yung Hsiang, Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 6, 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' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

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

HUA ENG WIRE & CABLE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 179,163	1	353,381	3	2100	Short-term borrowings (note 6(o))	\$ 2,951,392	22	1,596,128	12
1110	Current financial assets at fair value through profit or loss (note 6(c))	739,994	6	957,989	7	2110	Short-term notes and bills payable (notes 6(o)(p))	619,329	5	999,866	7
1140	Current contract assets (note 6(x))	158,187	1	176,809	1	2130	Current contract liabilities (note 6(x))	49,936	-	75,831	1
1136	Current financial assets at amortized cost (note 6(b))	2,900	-	-	-	2150	Notes payable (notes 6(t))	8,800	-	10,162	-
1150	Notes receivable (note 6(e))	40,888	-	64,353	-	2170	Accounts payable	445,302	3	446,474	3
1172	Accounts receivable (note 6(e))	1,593,300	12	1,426,254	11	2180	Accounts payable to related parties (note 7)	109	-	105	-
1200	Other receivables (notes 6(e)(f))	68,526	1	61,991	-	2200	Other payables (note 6(t))	255,651	2	299,136	2
130X	Inventories (note 6(g))	4,268,597	32	3,743,408	28	2230	Current tax liabilities	86,127	1	147,429	1
1470	Other current assets (note 6(n))	63,850	-	45,431	-	2280	Current lease liabilities (note 6(r))	16,418	-	16,181	-
	Total current assets	7,115,405	53	6,829,616	50	2300	Other current liabilities (note 6(q))	12,096	-	21,655	-
							Total current liabilities	4,445,160	33	3,612,967	26
Non-current assets:						Non-Current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (note 6(c))	1,698,220	13	2,140,593	16	2570	Deferred tax liabilities (note 6(u))	791,530	6	786,256	6
1517	Non-current financial assets at fair value through other comprehensive income (note 6(d))	73,263	1	70,603	1	2580	Non-current lease liabilities (note 6(r))	197,273	1	213,691	2
1550	Investments accounted for using equity method (note 6(h))	-	-	11,145	-	2640	Non-current net defined benefit liability (note 6(t))	1,206	-	42,410	-
1600	Property, plant and equipment (note 6(j))	3,203,094	23	3,142,323	23	2645	Guarantee deposits received	3,499	-	5,705	-
1755	Right-of-use-assets (note 6(k))	274,073	2	296,913	2		Total non-current liabilities	993,508	7	1,048,062	8
1760	Investment property, net (note 6(l))	1,055,729	8	1,112,396	8		Total liabilities	5,438,668	40	4,661,029	34
1780	Intangible assets (note 6(m))	557	-	445	-	Equity attributable to owners of parent (note 6(v)):					
1840	Deferred tax assets (note 6(u))	58,191	-	38,160	-	3110	Ordinary share	6,327,735	46	6,327,735	46
1915	Prepayments for equipment	10,468	-	14,539	-	3200	Capital surplus	238,719	2	115,333	1
1920	Refundable deposits (note 6(f))	288	-	428	-	3300	Retained earnings:				
1975	Non-current net defined benefit asset (note 6(t))	21,999	-	-	-	3310	Legal reserve	234,075	2	96,845	1
1990	Other non-current assets, others (note 6(n))	8,874	-	8,874	-	3320	Special reserve	884,911	7	884,911	6
	Total non-current assets	6,404,756	47	6,836,419	50	3350	Unappropriated retained earnings	271,525	2	1,372,296	10
								1,390,511	11	2,354,052	17
						3400	Other equity	(24,684)	-	(27,649)	-
						3500	Treasury shares	(968,671)	(7)	(968,671)	(7)
							Total equity attributable to owners of parent:	6,963,610	52	7,800,800	57
						36XX	Non-controlling interests (note 6(i))	1,117,883	8	1,204,206	9
							Total equity	8,081,493	60	9,005,006	66
							Total liabilities and equity	\$ 13,520,161	100	13,666,035	100
	Total assets	\$ 13,520,161	100	13,666,035	100						

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
HUA ENG WIRE & CABLE 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)

		2022		2021	
		Amount	%	Amount	%
4100	Operating revenues (note 6(x))	\$ 10,749,897	100	10,484,814	100
5000	Operating costs (notes 6(g)(t)(y), 7 and 12)	10,220,776	95	9,493,999	91
5900	Gross profit	529,121	5	990,815	9
6000	Operating expenses (notes 6(t)(y), 7 and 12)	188,515	2	205,856	2
6900	Net operating income	340,606	3	784,959	7
7000	Non-operating income and expenses (notes 6(c)(h)(j)(l)(q)(r)(s)(z) and 7):				
7100	Interest income	386	-	53	-
7010	Other income	344,499	3	213,994	2
7020	Other gains and losses, net	(449,601)	(4)	874,813	8
7050	Finance costs	(35,509)	-	(18,929)	-
7060	Share of profit (loss) of associates accounted for using equity method, net	(325)	-	(472)	-
		(140,550)	(1)	1,069,459	10
7900	Profit before income tax	200,056	2	1,854,418	17
7950	Less: Income tax expenses (note 6(u))	110,308	1	202,371	2
8200	Profit	89,748	1	1,652,047	15
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	37,696	-	(35,710)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,808	-	13,161	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(u))	7,539	-	(12,030)	-
8300	Other comprehensive income (after tax)	32,965	-	(10,519)	-
8500	Comprehensive income	\$ 122,713	1	1,641,528	15
	Profit attributable to:				
8610	Owners of parent	\$ (36,464)	-	1,388,143	12
8620	Non-controlling interests (note 6(i))	126,212	1	263,904	3
		\$ 89,748	1	1,652,047	15
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ (11,416)	-	1,385,429	13
8720	Non-controlling interests (note 6(i))	134,129	1	256,099	2
		\$ 122,713	1	1,641,528	15
	Earnings per share (note 6(w)):				
9750	Basic earnings per share (in New Taiwan Dollars)	\$ (0.09)		3.27	
9850	Diluted earnings per share (in New Taiwan Dollars)	\$ (0.09)		3.25	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
HUA ENG WIRE & CABLE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings				Other equity					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
Balance at January 1, 2021	\$ 6,327,735	57,753	64,997	1,039,697	320,004	(40,782)	(968,671)	6,800,733	1,122,350	7,923,083
Profit for the year ended December 31, 2021	-	-	-	-	1,388,143	-	-	1,388,143	263,904	1,652,047
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(15,847)	13,133	-	(2,714)	(7,805)	(10,519)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,372,296	13,133	-	1,385,429	256,099	1,641,528
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	31,848	-	(31,848)	-	-	-	-	-
Reversal of special reserve	-	-	-	(154,786)	154,786	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(442,942)	-	-	(442,942)	-	(442,942)
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	57,580	-	-	-	-	-	57,580	-	57,580
Cash dividends to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	(174,243)	(174,243)
Balance at December 31, 2021	6,327,735	115,333	96,845	884,911	1,372,296	(27,649)	(968,671)	7,800,800	1,204,206	9,005,006
Profit (loss) for the year ended December 31, 2022	-	-	-	-	(36,464)	-	-	(36,464)	126,212	89,748
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	22,234	2,814	-	25,048	7,917	32,965
Total comprehensive income for the year ended December 31, 2022.	-	-	-	-	(14,230)	2,814	-	(11,416)	134,129	122,713
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	137,230	-	(137,230)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(949,160)	-	-	(949,160)	-	(949,160)
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	123,386	-	-	-	-	-	123,386	-	123,386
Cash dividends to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	(220,452)	(220,452)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(151)	151	-	-	-	-
Balance at December 31, 2022	\$ 6,327,735	238,719	234,075	884,911	271,525	(24,684)	(968,671)	6,963,610	1,117,883	8,081,493

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
HUA ENG WIRE & CABLE 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)

	2022	2021
Cash flows from operating activities:		
Profit before tax	\$ 200,056	1,854,418
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	207,750	191,740
Amortization expense	132	30
Net loss (gain) on financial assets at fair value through profit or loss	587,827	(888,104)
Interest expense	35,509	18,929
Interest income	(386)	(53)
Dividend income	(280,590)	(153,695)
Share of loss of associates accounted for using equity method	325	472
Gain on disposal of property, plant and equipment	(1,182)	(1,907)
Gain on disposal of investment properties	(150,166)	-
Loss on disposal of investments	411	3,784
Gain on disposal of accounted for using equity method	(370)	-
Provision (reversal) for liabilities	(62)	445
Total adjustments to reconcile profit (loss)	<u>399,198</u>	<u>(828,359)</u>
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease (increase) in contract assets	18,622	(100,862)
Decrease (increase) in notes receivable	23,465	(52,586)
Increase in accounts receivable	(167,046)	(521,979)
Increase in other receivables	(3,903)	(21,798)
Increase in inventories	(525,189)	(932,139)
Decrease (increase) in other current assets	(18,419)	35,695
Total net changes in operating assets	<u>(672,470)</u>	<u>(1,593,669)</u>
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	(25,895)	53,886
Increase (decrease) in notes payable	(1,362)	1,847
Increase (decrease) in accounts payable	(1,172)	98,637
Increase in accounts payable to related parties	4	103
Increase (decrease) in other payable	(89,712)	122,022
Increase (decrease) in other current liabilities	(9,497)	4,020
Decrease in net defined benefit liabilities	(25,507)	(8,717)
Total net changes in operating liabilities	<u>(153,141)</u>	<u>271,798</u>
Total net changes in operating assets and liabilities	<u>(825,611)</u>	<u>(1,321,871)</u>
Total adjustments	<u>(426,413)</u>	<u>(2,150,230)</u>
Cash outflow generated from operations	(226,357)	(295,812)
Interest received	361	53
Dividends received	280,359	153,695
Interest paid	(21,911)	(13,543)
Income taxes (paid) refund	(193,906)	4
Net cash flows used in operating activities	<u>(161,454)</u>	<u>(155,603)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(47,457)	(10,701)
Proceeds from disposal of financial assets at fair value through profit or loss	119,587	1,101,264
Acquisition of financial assets at amortized cost	(2,900)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	148	-
Proceeds from disposal of accounted for using equity method	11,190	-
Proceeds from liquidation in equity investments	-	2,480
Acquisition of property, plant and equipment	(226,668)	(178,215)
Proceeds from disposal of property, plant and equipment	1,280	3,515
Increase in refundable deposits	(2,236)	(29,064)
Acquisition of intangible assets	(244)	(475)
Acquisition of investment property	-	(794)
Proceeds from disposal of investment property	201,192	-
Increase in prepayments for equipment	-	(1,750)
Net cash flows from investing activities	<u>53,892</u>	<u>886,260</u>
Cash flows used in financing activities:		
Increase in short-term borrowings	1,355,264	607,336
Decrease in short-term notes and bills payable	(386,894)	(804,709)
Increase (decrease) in guarantee deposits received	(829)	2,387
Payment of lease liabilities	(19,266)	(13,923)
Cash dividends paid	(794,479)	(388,325)
Cash dividends to non-controlling interests	(220,452)	(174,243)
Net cash flows used in financing activities	<u>(66,656)</u>	<u>(771,477)</u>
Net decrease in cash and cash equivalents	<u>(174,218)</u>	<u>(40,820)</u>
Cash and cash equivalents at beginning of period	<u>353,381</u>	<u>394,201</u>
Cash and cash equivalents at end of period	<u>\$ 179,163</u>	<u>353,381</u>

See accompanying notes to financial statements.

Hua Eng Wire & Cable Co., Ltd.
Earnings Distribution Table
2022

	Unit: NTD
Undistributed profit at the beginning of the period	285,905,952
Add (Less):	
Changes in the current period to re-measurement of defined benefit plan	22,234,121
Equity investments measured at fair value through other comprehensive income at disposal	(151,601)
2022 after-tax net profit	(36,463,981)
Distributable surplus earnings	271,524,491
Less:	
Distribution item:	
Shareholder cash dividends (632,773,506 shares x 0.4)	(253,109,402)
Undistributed earnings at the end of the period	<u>18,415,089</u>

Note: When cash dividends are paid to individual shareholders, if the remainder is less than one NT dollar, it shall be rounded off to the nearest NT dollar. Accordingly, the resulting difference will be adjusted according to the shareholder account number from front to back to match the total distribution amount in the profit distribution table.

Chairman:

Manager:

Accounting Supervisor:

Hua Eng Wire & Cable Co., Ltd.

Comparison Table of Revised Articles of the "Rules for Election of Directors"

Article	Original article	Article after amendment	Reason for amendment
Article 2	<p>In the election of directors of the Company (including independent directors), each share has the same voting rights as the number of persons to be elected. One person may be elected collectively, or votes may be distributed among a number of people. Independent directors and non-independent directors are to be elected together, and the number of elected positions shall be calculated separately.</p>	<p>In the election of directors of the Company (including independent directors), each share has the same voting rights as the number of persons to be elected. One person may be elected collectively, or votes may be distributed among a number of people. Independent directors and non-independent directors are to be elected together, and the number of elected positions shall be calculated separately.</p> <p><u>In accordance with the Articles of Association of the Company, the candidate nomination system is adopted for the election of directors, and the directors are selected by the shareholders from the list of candidates.</u></p>	<p>The amendments are made in line with the announcement of the Financial Supervisory Commission concerning the comprehensive adoption of the candidate nomination system for the election of directors.</p>
Article 6	<p>If a selected candidate is a shareholder, the voting individual must fill in the name of the selected candidate in the "selected candidate" column of the ballot as well as shareholder account number. If not a shareholder, the name of the selected candidate must be filled in as well as his or her ID number. However, when an institutional shareholder is a selected candidate, the selected candidate account of the ballot should be filled in with the name of the institutional shareholder, and the name of the institutional shareholder and its representative may also be filled in. If there are several representatives, the names of the representatives should be added separately.</p>	<p><u>The elector shall fill in the relevant information according to the list of candidates in the procedure handbook of the shareholders' meeting, and only one candidate shall be filled on each ballot.</u></p> <p>If a selected candidate is a shareholder, the voting individual must fill in the name of the selected candidate in the "selected candidate" column of the ballot as well as shareholder account number. If not a shareholder, the name of the selected candidate must be filled in as well as his or her ID number. However, when an institutional shareholder is a selected candidate, the selected candidate account of the ballot should be filled in with the name of the institutional shareholder, and the name of the institutional shareholder and its representative may also be filled in. If there are several representatives, the names of the representatives should be added separately.</p>	

Article	Original article	Article after amendment	Reason for amendment
Article 7	<p>A ballot will be considered invalid under one the following circumstances:</p> <p>(I) Usage of ballots other than those prepared by the Company.</p> <p>(II) Where blank ballots are placed in the ballot box.</p> <p>(III) Where handwriting is illegible or has been altered.</p> <p>(IV) Where a selected candidate <u>is a shareholder and his or her account number does not match the shareholder register; or where a selected candidate is not a shareholder of the company and his or her name and ID card number do not match.</u></p> <p>(V) ~ (VI) omitted</p>	<p>A ballot will be considered invalid under one the following circumstances:</p> <p>(I) Usage of ballots other than those prepared by the Company.</p> <p>(II) Where blank ballots are placed in the ballot box.</p> <p>(III) Where handwriting is illegible or has been altered.</p> <p>(IV) The candidate filled in <u>is not a nominated candidate or is inconsistent with the relevant information of the nominated candidate.</u></p> <p>(V) ~ (VI) omitted</p>	
Article 14	<p>The rules come into force upon the <u>23rd director re-elections</u> after the approval at the shareholders' meeting. <u>If there are any amendments to these rules, the amendment shall be implemented after the approval at the shareholders' meeting.</u></p>	<p><u>These Procedures will be implemented after approval by the Meeting of Shareholders; the same applies to amendments.</u></p>	<p>The company amended by referring to the Sample Templates publicly announced by the competent authority.</p>

Hua Eng Wire & Cable Co., Ltd.

List of candidates for directors (including independent directors)

Category	Account name or name and number of shares held	Account number or identity document number	Major academic degree and work experience	Current position
Director	First Copper Technology Co., Ltd. Representative: Wang Hong-Ren 208,563,824 shares	011005	Education: MBA, Lindenwood College, USA Work experience: Same as current position.	Chairman, Hua Eng Wire & Cable Co., Ltd. Chairman, First Copper Technology Co., Ltd. Chairman, Hua Ho Engineering Co., Ltd. Chairman, Taiwan Times Co., Ltd.
Director	Mei-Da Co., Ltd. Representative: Wang Yu-Fa 3,936,732 shares	000858	Education: Honorary Doctorate in Business Administration, Columbia College Honorary Doctorate in Business Administration, Kennedy University Work experience: Former Chairman, Hua Eng Wire & Cable Co., Ltd. Chairman, Hua Eng Wire & Cable Co., Ltd. Chairman, First Copper Technology Co., Ltd. Chairman, Taiwan Times Co., Ltd.	Director, Hua Eng Wire & Cable Co., Ltd. Chairman, Mei-Da Co., Ltd. Chairman, Hua Horng Investment Co., Ltd. Director, Taiwan Times Co., Ltd.

Category	Account name or name and number of shares held	Account number or identity document number	Major academic degree and work experience	Current position
Director	Mei-Da Co., Ltd. Representative: Wang Wen-Ling 3,936,732 shares	000858	Education: Christ's College Taipei Work experience: Same as current position.	Director, Hua Horng Investment Co., Ltd. Director, Mei-Da Co., Ltd. Director, International Shipbreaking Enterprise Co. Ltd.
Director	First Copper Technology Co., Ltd. Representative: Yang Ming-Shan 208,563,824 shares	011005	Education: Department of Industrial Electronics, Dah Yung Senior Industrial Vocational School Work experience: Leader of general affairs and security Team, Advanced Semiconductor Engineering, Inc.	Serving in the Mei-Da Co., Ltd.
Independent Director	Wu Tong-Shung 0	A10421****	Education: National Chengchi University Department of Accounting and Statistics Work experience: Founder and senior partner, Deloitte & Touche Taiwan One of the founders of Taishin Financial Holdings Co., Ltd.	Independent director, Hua Eng Wire & Cable Co., Ltd. Chief Adviser, Taishin Financial Holdings Director and Chief Adviser, Taishin International Bank Chairman, Taishin Asset Management Co., Ltd. Director, Taishin Real Estate Management Co., Ltd. Supervisor, Taishin Securities Co., Ltd. Supervisor, Taishin Venture Capital Investment Co., Ltd. Director, Anshin Real Estate Management Co., Ltd. Chairman, Shen-Tung Construction and Development Co., Ltd.

Category	Account name or name and number of shares held	Account number or identity document number	Major academic degree and work experience	Current position
Independent Director	Chang Jinn-Der 0	L10317*****	<p>Education: PhD in Accounting, Federal International University Doctor of Laws, National Chung Cheng University</p> <p>Work experience: 1st Chairperson of The National Federation of CPA Associations of the R.O.C.(NFCPAA) Head of Department of Accounting,PCCU Dean and Chair Professor of the College of Management, Chaoyang University of Technology Chair Professor of the Department of Accounting and Information Systems, Asia University Member of Administrative Appeals Commission, Financial Supervisory Commission Adjunct professor, Department of Law, National Chung Hsing University</p>	<p>Independent director, Hua Eng Wire & Cable Co., Ltd. Director, Crown & Co., CPAs Independent director, PharmaEssentia Corporation Independent director, Jukao Engineering Corp. Director, Taiwan Institute of Business Director, Academic Foundation Chung Cheng University Adjunct professor, Department of Accounting , Chinese Culture University Adjunct professor, Department of Law, Open University of Kaohsiung Director, Crown Taiwan Japan Business Consulting Ltd. Director, Crown Global Business Consulting Ltd. Director, Concord Securities Co., Ltd.</p>
Independent Director	Sun Chin-Feng 0	J12049*****	<p>Education: University of Michigan Master of Business Administration (MBA) Master of Materials Science (MS), Wayne University, Michigan State, USA</p> <p>Work experience: Associate Manager of Cheng Shin Entrepreneurship Investment Co., Ltd. Director of Asia Technology Centre, Emerson Electric Co. Team Lead of Production Department, Prime Optical Fiber Corporation</p>	<p>Independent director, Hua Eng Wire & Cable Co., Ltd. General anager, SAGA Unitek Ventures Chairman, FiTek Photonics Corporation Independent director, Wonderful Hi Tech Co., Ltd. Independent director, Tah Tong Textile Co., Ltd. Independent director, Chicony Power Technology Co., Ltd.</p>

Hua Eng Wire & Cable Co., Ltd. Articles of Incorporation

Chapter I: General Provisions

- Article 1: Organized in accordance with the provisions of the Company Act, the Company is named Hua Eng Wire & Cable Co., Ltd.
- Article 2: The Company's main businesses are as follows:
- I. Manufacturing, processing, trading and export of various wires and cables and composite optical fiber cables.
 - II. Processing, manufacturing, trading and export of electrolytic copper, copper ingots, copper products, copper wire, enameled wire, and copper bars.
 - III. Design, manufacture, sale, and construction of photoelectric transmission equipment and photoelectric converters, and manufacture and trade of optical fiber.
 - IV. Manufacturing and trading of production equipment for various wire and cable products.
 - V. Various power and communication engineering design, construction maintenance and technical services.
 - VI. Manufacturing and trading of various electrical appliances, power and communication equipment, communication user circuit wiring equipment, communication user circuit testing, and maintenance equipment (telephone user loop telemetry interface isolators, user security devices, etc.).
 - VII. Processing, manufacturing, trading and export of 22KV and above-69KV cable joints.
 - VIII. Electrical installation industry: Undertake installation of high and low voltage electrical equipment projects and power transmission and distribution line projects contracted by Taipower Company.
 - IX. Commission construction companies to build residential and commercial buildings for sale and lease.
 - X. Furniture manufacturing and trade.
 - XI. House rental and sale introduction.
 - XII. Operation of food, tobacco, and alcohol business.
 - XIII. Acceptance of rezoning commissions. (with the exception of architectural commissions)
 - XIV. Operation of parking lots and supermarkets.
 - XV. Design and construction of landscapes and gardens. (with the exceptions of construction and of architectural commissions)
 - XVI. Manufacture and sale of ready-mixed concrete.
 - XVII. Manufacture and sale of cement products.
 - XVIII. Manufacturing, processing, and trading of various types of stainless steel plate and stainless steel pipe.
 - XIX. Sale of various types of steel plate and steel manufacturing.
 - XX. Processing, manufacturing and trading of electronic products.
 - XXI. Operation of bowling alley business.
 - XXII. Provision of technical services for hospital operation and management and consulting, analysis and consulting services.
 - XXIII. Pre-agent import and export trade of various products.
 - XXIV. H703010 Factory Building Rental and Leasing.
 - XXV. H703020 Warehouse Rental and Leasing.
 - XXVI. H703030 Office Building Rental and Leasing.
 - XXVII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company does not endorse guarantees and does not lend funds to others.
- Article 2-2: In coordination with its diversified operations, the Company makes reinvestments in various businesses. The total investment amount shall not exceed the total paid-in capital of the Company.
- Article 3: The Company is established in Kaohsiung City, and its branch is established in Taipei City.

Depending on business needs, the Board of Directors may decide to establish additional branches (subsidiaries) domestically and abroad.

Article 4: The Company's announcement method shall be handled in accordance with Article 28 of the Company Act.

Chapter II: Shares

Article 5: The total capital of the Company is set as NTD 6,327,735,060 divided into 632,773,506 shares at NTD 10 per share, issued in full.

Article 6: The stock of the Company shall be divided into five categories of shares with amounts of 1 million shares, 100,000 shares, 10,000 shares, 1,000 shares, and a variable amount of shares, with each share to have the same par value.

Article 7: The Company's stocks are all registered, signed or stamped at least three directors, and issued according to law after being stamped with the Company's official registration number.

The company's shares may be exempt from being in the form of printed stocks, but the centralized securities custodial institution must be contacted for registration.

Article 8: Shareholders should send their seal patterns to the company for recording so that they can be checked when receiving dividends, distributing dividends, and exercising shareholder rights.

Article 9: Unless otherwise provided by laws and regulations, shareholders of the Company shall handle transfers of shares and other stock affairs, and it is understood that they shall do so in accordance with the Regulations Governing the Administration of Stock Affairs of Public Companies announced by the competent authority.

Article 10: The loss or destruction of stocks held by shareholders shall be handled in accordance with the Regulations Governing the Administration of Stock Affairs of Public Companies announced by the competent authority.

Article 11: Cases of shareholders who change their seals for any reason shall be handled in accordance with the Regulations Governing the Administration of Stock Affairs of Public Companies announced by the competent authority.

Article 12: Shares cannot be transferred within 60 days before the regular shareholders meeting, 30 days before the extraordinary shareholders meeting, or within 5 days before the base date of the company's decision to distribute dividends and bonuses or other benefits.

Chapter III: Shareholders' Meeting

Article 13: Shareholders' meetings of the Company are divided into the following two types:

- I. A general meeting that is to be convened by the Board of Directors within six months after the end of each fiscal year.
- II. Interim shareholders' meetings that shall be convened when necessary in accordance with the provisions of the Company Act.

Article 14: When convening a General Meeting of Shareholders, all shareholders shall be notified 30 days in advance. When convening an interim shareholders' meeting, all shareholders shall be notified 15 days in advance. For shareholders who hold fewer than one thousand shares, the notice of the meeting shall be made via an announcement.

Article 15: If a shareholder cannot attend a shareholders' meeting for some reason, then, in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies announced by the competent authority, the shareholder may obtain a proxy issued by the Company that is signed or sealed with authorized scope and entrust an agent to attend.

Article 16: Unless otherwise stipulated by the Company Act, the resolutions of the shareholders' meeting of the Company shall be attended by shareholders representing more than half of the total number of issued shares, and shall be implemented with more than half of the voting rights of the shareholders present. When the number of shareholders present is fewer than number previously specified, it is understood that the relevant provisions of the Company Act shall be followed.

Article 17: Shareholders of the Company have one vote per share; however, for those who are restricted or those without voting rights under Article 179 of the Company Act, this limitation shall not apply.

Article 18: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting

minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

Dissemination of the meeting minutes as mentioned in the preceding paragraph may be done via public announcement.

The meeting minutes shall record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results. The meeting minutes shall be retained forever during the existence of the Company.

The registration book of attending shareholders and proxy attendance forms shall be kept for at least one year.

Article 19: The shareholders' meeting may review the forms and Audit Committee reports submitted by the Board of Directors and decide upon the distributions of profits and dividends.

Chapter IV: Directors

Article 20: The Company shall have between 7 and 11 directors, whose election shall adopt a candidate nomination system. They shall be elected by shareholders from the list of director candidates for a term of three years and may be re-elected.

Among the directors of the Company, the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. Regarding independent directors' professional qualifications, shareholdings, restrictions on concurrent positions, determination of independence, method of nomination, and other matters to be complied with, they shall be handled in accordance with relevant regulations of the securities authority.

For directors' travel expenses and remuneration of the Chairman, their authorization is determined by the Board of Directors with reference to the standards of relevant peers and listed companies. Regardless of the profit and loss status of the Company, they shall be issued in accordance with general regulations.

The Company may purchase liability insurance for directors' legal liability for the scope of their business execution during their tenures.

The total number of registered shares held by all directors shall not be less than the number required by the securities authority.

Article 21: When organizing the Board of Directors, the Chairman of the Board shall be selected by a majority vote at a meeting attended by over two-thirds of the directors and approved by more than half of the directors present. The Chairman shall be elected to carry out all Company matters in accordance with the law, regulations, resolutions of shareholders' meeting, and resolutions of the Board of Directors.

Article 22: When vacancies among directors reaches one-third, the Board of Directors shall convene a by-election at a shareholders' meeting within 60 days.

Article 23: The Chairman of the Board shall be the presiding chair of the shareholders' meeting and of the Board of Directors, and shall represent the Company externally. If the Chairman asks to take leave or is unable to execute his authority for some reason, he or she may be represented by a director who is designated by the Chairman. If the Chairman does not designate such a representative, the directors will choose a representative from among themselves.

Article 24: When necessary, the Board of Directors may be convened by the Chairman or his or her representative in accordance with the law. The notice of convening can be done by written notification, e-mail, or fax.

Article 25: When the Board of Directors meets, the directors shall attend in person. However, they may be represented by other directors. Those who participate in the meeting by videoconference shall be regarded as attending in person. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

Article 26: Except where otherwise provided by the Company Act, the passage of a proposal at a Board of Directors meeting shall require the approval of a majority of the directors in attendance at a Board of Directors meeting that is attended by a majority of all directors.

Article 27: The following matters of the Company are subject to the approval or verification of the Board of Directors:

- I. Approval of each item of regulation.
- II. Preparation of the budget and final accounts.
- III. Profit distribution proposals.
- IV. Capital increase or decrease proposals.
- V. Appointment or dismissal of managers and consultants.
- VI. Buying and selling stocks of listed companies or reinvestment in stocks of unlisted companies.
- VII. Purchases equipment or disposal of assets in amounts of NTD 2 million or more.
- VIII. Purchases or transfers of know-how and patent rights or of technical cooperation contracts.
- IX. Appointment, dismissal, and remuneration of accountants.
- X. External borrowing.
- XI. Collateralization of Company property.
- XII. Engaging in derivative transactions.
- XIII. Annual audit planning.
- XIV. Dealer or agent business.
- XV. Sales to manufacturers on credit in amounts exceeding NTD 2 million.
- XVI. Operational planning for the Company.
- XVII. Annual financial reports and semi-annual financial reports. With the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
- XVIII. Establishing or amending the internal control system.
- XIX. Formulating or amending procedures for the acquisition or disposal of assets and the processing of major financial business activities involving derivative transactions.
- XX. Raising, issuing or private placement of equity securities.
- XXI. Appointment and removal of financial, accounting or internal audit supervisors.
- XXII. Branch establishment or closure.
- XXIII. Implementation of resolutions of the shareholders' meeting and of the conferring of powers from the shareholders' meeting.
- XXIV. Other powers stipulated by laws and regulations and by the competent authority.

Article 28: The Company has established an Audit Committee in accordance with the provisions of the Securities and Exchange Act. The provisions of the Company Act, Securities and Exchange Act, and other laws governing supervisors shall be applied mutatis mutandis to the Audit Committee.

The Audit Committee shall be composed entirely of independent directors, and its exercise of powers and related matters shall be handled in accordance with relevant laws and regulations of the securities authority.

Article 29: Deleted.

Article 30: Deleted.

Article 31: Deleted.

Article 32: Deleted.

Article 33: The Company may set up various committees according to business needs. In selecting committee members, they shall be appointed by the Chairman after their submission to the Board of Directors for approval.

Article 33-1: If a director engages in business competition with the company, this shall be explained to the shareholders' meeting and its permission obtained in accordance with Article 209, Paragraph 1 of the Company Act.

Chapter V: Staff

Article 34: The Company shall have a General Manager who upholds the resolutions of the Board of Directors and comprehensively manages all of the Company's business. He or she shall be assisted by a number of deputy general managers.

Article 35: The Company shall have several managers who are in charge of various businesses.

- Article 36: In response to its business needs, the Company may hire a number of individuals in technical, legal, accounting, and other consulting areas.
- Article 37: The appointment, dismissal, and remuneration of supervisors of the Company at the managerial level and above are subject to the approval of the Board of Directors.
- Article 38: Managers specified in the aforementioned clauses shall not concurrently serve as managers of other profit-making businesses, or operate similar businesses for themselves or for others, except for those approved by the Board of Directors in accordance with the law.
- Article 39: The staffing of the Company is determined separately by the Board of Directors.
- Article 40: The working rules of the Company shall be separately formulated by the Board of Directors.

Chapter VI: Accounting

- Article 41: The Company uses December 31 of each year as its final settlement date. After final accounts are drawn for each period, the Board of Directors shall prepare the following list and submit it to the General Meeting of Shareholders for acknowledgment in accordance with the law.

I. Business Report.

II. Financial Statements.

III. Proposals concerning profit distributions or covering of losses.

- Article 42: If the Company makes a profit during the year, it shall allocate no less than 3% for employee remuneration and no more than 2% for director remuneration. However, when the Company has accumulated losses, the reserves for covering the losses shall be retained in advance.

- Article 43: If there is a profit in the Company's annual final accounts, it shall first pay taxes to make up for the accumulated losses. A 10% withdrawal is the legal reserve, but this is not the limit when the legal reserve has reached the Company's paid-in capital. In addition, a special reserve may be allocated or transferred depending on the Company's operating needs and legal requirements. If there is a profit as well as undistributed surplus earnings at the beginning of the same period, the Board of Directors shall draft a profit distribution proposal and submit it to the shareholders' meeting for resolution.

Amid a still-growing business environment, the Company shall master the economic environment to seek sustainable operations and long-term development. Dividend policy will focus on the principle of stability. When the Board of Directors submits a profit distribution proposal, it shall consider future profitability and plans for working capital and may reserve a portion of profits at its discretion. Profit distributions shall account for 50% or more of distributable earnings; out of this, cash dividends shall not be less than 10% of the total dividend distribution for a given year.

- Article 44: The distribution of the Company's dividends and bonuses is to be based on the proportion of shares held by each shareholder.

Chapter VII: Supplementary Provisions

- Article 45: Matters not covered in these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

- Article 46: These Articles of Incorporation shall be passed by the Shareholders' Meeting in accordance with the law and submitted to the competent authority for approval. The same shall apply for amendments.

- Article 47: These Articles of Incorporation were established on November 10, 1956. The 1st amendment was on December 18th, 1959. The 2nd amendment was on October 1st, 1966. The 3rd amendment was on March 16th, 1967. The 4th amendment was on June 4th, 1967. The 5th amendment was on June 12th, 1970. The 6th amendment was on July 4th, 1971. The 7th amendment was on June 8th, 1972. The 8th amendment was on December 19th, 1974. The 9th amendment was on November 23rd, 1975. The 10th amendment was on October 17th, 1976. The 11th amendment was on April 26th, 1978. The 12th amendment was on June 29th, 1980. The 13th amendment was on November 28th, 1983. The 14th amendment was on December 23rd, 1983. The 15th amendment was on March 15th, 1984. The 16th amendment was on April 16th, 1984. The 17th amendment was on March 30th, 1985. The 18th amendment was on October 11th, 1985. The 19th amendment was on May 20th, 1986. The 20th amendment was on May 11th, 1987. The 21st amendment was on October 5th, 1987. The 22nd amendment was on February 11th, 1988. The 23rd amendment was on May 6th, 1988. The 24th amendment

was on May 5th, 1989. The 25th amendment was on May 24th, 1990. The 26th amendment was on May 30th, 1991. The 27th amendment was on May 29th, 1992. The 28th amendment was on May 18th, 1993. The 29th amendment was on May 18th, 1994. The 30th amendment was on June 14th, 1995. The 31st amendment was on June 10th, 1996. The 32nd amendment was on June 11th, 1997. The 33rd amendment was on May 20th, 1998. The 34th amendment was on June 8th, 1999. The 35th amendment was on June 13th, 2000. The 36th amendment was on June 20th, 2001. The 37th amendment was on June 19th, 2002. The 38th amendment was on June 16th, 2003. The 39th amendment was on June 13th, 2007. The 40th amendment was on June 19th, 2008. The 41st amendment was on June 9th, 2010. The 42nd amendment was on June 6th, 2012. The 43rd amendment was on June 16th, 2016. The 44th amendment was on June 30th, 2017. The 45th amendment was on June 17th, 2020.

Hua Eng Wire & Cable Co., Ltd. Rules for Election of Directors

Amended at the shareholders' meeting of June 19, 2002
Amended at the shareholders' meeting of June 22, 2011
Amended at the shareholders' meeting of June 16, 2016
Amended at the shareholders' meeting of June 21, 2023

- Article 1: Except as otherwise provided by law and regulation or by this Corporation's Articles of Incorporation, the election of directors of the Company shall be conducted in accordance with these Procedures.
- Article 2: In the election of directors of the Company (including independent directors), each share has the same voting rights as the number of persons to be elected. One person may be elected collectively, or votes may be distributed among a number of people. Independent directors and non-independent directors are to be elected together, and the number of elected positions shall be calculated separately.
In accordance with the Articles of Association of the Company, the candidate nomination system is adopted for the election of directors, and the directors are selected by the shareholders from the list of candidates.
- Article 3: The board of directors shall prepare an election ballot equal to the number of directors to be elected, fill in the number of voting rights and shareholder account number, and distribute to shareholders attending shareholders' meeting. The voter's name can be represented by the shareholder account number printed on the election ballot.
- Article 4: The election of directors of the Company is based on the number of positions agreed by the Board of Directors in accordance with the Company's Articles of Incorporation, and the right to vote for independent directors and non-independent directors is calculated separately. Those with more voting rights represented by the votes obtained are elected in turn. If two or more people have the same weight and exceed the prescribed quota, lots shall be drawn by those with the same number of weights. For those not attending, their lots shall be drawn by the presiding chair.
- Article 5: Before the start of an election, the chair shall appoint a number of monitoring and counting personnel to perform various related tasks.
- Article 6: The elector shall fill in the relevant information according to the list of candidates in the procedure handbook of the shareholders' meeting, and only one candidate shall be filled on each ballot.
If a selected candidate is a shareholder, the voting individual must fill in the name of the selected candidate in the "selected candidate" column of the ballot as well as shareholder account number. If not a shareholder, the name of the selected candidate must be filled in as well as his or her ID number. However, when an institutional shareholder is a selected candidate, the selected candidate account of the ballot should be filled in with the name of the institutional shareholder, and the name of the institutional shareholder and its representative may also be filled in. If there are several representatives, the names of the representatives should be added separately.
- Article 7: A ballot will be considered invalid under one the following circumstances:
(I) Usage of ballots other than those prepared by the Company.
(II) Where blank ballots are placed in the ballot box.
(III) Where handwriting is illegible or has been altered.
(IV) The candidate filled in is not a nominated candidate or is inconsistent with the relevant information of the nominated candidate.
(V) Where other wording is included in addition to the account name (name) or shareholder account number (identity card number) of the selected candidate.
(VI) Where the name of the selected candidate is the same as that of other shareholders but the shareholder account number or ID number is not filled in for identification.
- Article 8: The ballot will be issued on the spot after the voting is completed. When there is a questionable ballot, monitoring personnel shall first verify whether it is an invalid

ballot. Invalid ballots should be attested and signed by the monitoring personnel.

- Article 9: After the balloting is completed, the results of the balloting shall be made into the voting rights report form, which shall be signed and sealed by monitoring personnel and reported to the presiding chair.
- Article 10: The result of the balloting shall be announced by the presiding chair on the spot, or by a master of ceremonies appointed by the presiding chair. The announcement shall include including the list of elected candidates and the number of voting rights they received.
- Article 11: After counting, the ballots shall be sealed and signed by the monitoring personnel and then properly kept for at least one year. However, if a shareholder institutes legal proceedings in accordance with Article 189 of the Company Act, the relevant audio or video recordings shall be retained until the legal proceedings are concluded.
- Article 12: After election, a duly elected director shall submit an original copy of his or her consent form to the Company.
- Article 13: Matters not stipulated in these Procedures shall in all cases be handled in accordance with the Company Act and relevant laws and regulations.
- Article 14: These Procedures will be implemented after approval by the Meeting of Shareholders; the same applies to amendments.

Hua Eng Wire & Cable Co., Ltd. Rules of Procedure for Shareholders Meetings

Adopted at the interim meeting of shareholders held on October 6, 1987

Amended at the shareholders' meeting held on June 8, 1999

Amended at the shareholders' meeting held on June 19, 2002

Amended at the shareholders' meeting on June 12, 2014

- I. Shareholders' meetings of the Company shall comply with these Rules of Procedure.
- II. In these Rules of Procedure, "shareholders" refer to the shareholders themselves, representatives of institutional shareholders, and proxies entrusted by shareholders to attend in accordance with the law. "Shareholders' meeting" refers to the General Meeting of Shareholders as well as interim meetings of shareholders.
- III. Attending shareholders shall be requested to hand in their sign-in cards when signing in to attend the shareholders' meeting. The number of attending shares is calculated based on the handed in sign-in cards plus the number of shares exercised in writing or electronically. However, those who exercise voting rights electronically and attend the shareholders' meeting in person shall not be double counted in calculating the number of shares present.
Attendance and voting at a shareholders meeting shall be calculated based on the number of shares.
- IV. Shareholders or authorized proxies are to attend the shareholders' meeting. When the Company deems it necessary, it may check supporting documents sufficient to prove the identity of an attendee.
- V. When 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 the powers of the presiding chair, the Chairman shall appoint one of the directors to act as presiding chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as presiding chair.
When the shareholders' meeting is convened by a convening party other than the Board of Directors, the convener shall be the presiding chair. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- VI. The Company may appoint the designated counsel, CPAs, or other related persons to attend the meeting.
Staff handling the administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- VII. The Company shall record or videotape the entire proceedings of the shareholders' meeting and keep it for at least one year.
- VIII. When the meeting time has arrived, the presiding chair shall immediately announce the meeting. However, shareholders are not present representing more than half of the total issued shares, the presiding chair may announce a postponement of the meeting. The number of postponements is limited to two, and the total postponement time shall not exceed one hour. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act.
By the end of such meeting, if number of shares represented by the attending shareholders has already constituted more than one half of the outstanding shares, the presiding chair may put the tentative resolution to the vote at the general meeting again in accordance with Article 174 of Taiwan's Company Act.
- IX. When the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors. The meeting shall be conducted according to the scheduled agenda, and shall not be changed without the resolution of the shareholders' meeting.
When the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply.

The agenda set out in the previous two items shall not be declared adjourned by the presiding chair without a resolution before the proceedings are over (including provisional motions). However, if the presiding chair announces the adjournment of the meeting in violation of the rules of procedure, then with the approval of more than half of the voting rights of shareholders present, one person may be elected as presiding chair to continue the meeting.

- X. Before speaking, an attending shareholder must specify on a speaker's slip his/her shareholder account number, name, and main points of the intended speech. The order in which shareholders speak will be set by the presiding 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 contents of the speech do not correspond to the subject given on the speaker's slip, the content of the speech 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 violations.

- XI. Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice concerning the same item, and each speech shall not last more than 5 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 as proxy, it may designate only one person to represent it in the meeting.

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

- XIII. After an attending shareholder has spoken, the presiding chair may respond in person or direct relevant personnel to make response.

- XIV. When the presiding chair is of the opinion that a proposal has been discussed sufficiently for voting to proceed, the presiding chair may announce the closure of the discussion and call for a vote.

- XV. 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 voting, if the presiding chair undertakes a consultation and there is no objection, then the measure shall be deemed as passed and its effect shall be the same as that of voting.

- XVI. When a proposal is voted on by ballot, the examiners and counting staff of votes on motions shall be appointed by the presiding chair, but the examiners should have shareholder status. Voting results shall be made known on-site immediately and recorded in writing.

- XVII. During the meeting, the presiding chair may declare a break at his or her discretion.

- XVIII. When there is an amendment or 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.

- XIX. The presiding chair may direct proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel are present to assist in maintaining order, they shall bear an identification card or armband showing the word "Proctor."

If a shareholder violates the Rules of Procedure and does not obey the presiding chair's instructions to correct his or her behavior, hindering the progress of the meeting and failing to comply, the presiding chair may direct the proctors or security personnel to ask him or her to leave the meeting place.

- XX. Matters not specified in these Rules of Procedure shall be handled in accordance with the Company Act, the Company's Articles of Incorporation, and other relevant laws and regulations.

- XXI. These Rules of Procedure shall be implemented after being approved by the shareholders meeting. The same shall hold true of amendments.

Hua Eng Wire & Cable Co., Ltd.

The number of shares held by directors individually and collectively as recorded in the shareholder register as of the closing date of the shareholders' meeting:

Title	Name	Appointment date	Term of office	April 23, 2023	
				Number of shares	Percentage of shareholding
Chairman	First Copper Technology Co., Ltd. Representative: Wang Hong-Ren	2020.06.17	Three years	208,569,277	32.96%
Director	Mei-Da Co., Ltd. Representative: Wang Yu-Fa	"	"	3,936,732	0.62%
"	First Copper Technology Co., Ltd. Representative: Wang Ming-Jen	"	"	208,569,277	32.96%
"	Mei-Da Co., Ltd. Representative: Wang Feng-Shu	"	"	3,936,732	0.62%
Independent Director	Wu Tong-Shung	"	"	0	0%
"	Chang Jinn-Der	"	"	0	0%
"	Sun Chin-Feng	"	"	0	0%
Total number of shares held by all directors				212,506,009	33.58%

Explanation:

1. The Company's paid-in capital is NTD 6,327,735,060 (632,773,506 shares).
2. In accordance with Article 26 of the Securities and Exchange Act and with the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the legal minimum number of shares that all directors should hold is 20,248,752 shares.
3. The Company has set up an Audit Committee, so there is no applicability regarding number of shares that should be held by supervisors.