



Regular Shareholders' Meeting Of the Year 2022

Meeting Manuel

Date of Shareholders' Meeting: June 8, 2022

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I. Meeting Agenda

Hota Industrial Mfg. Co., Ltd.

Meeting Agenda of Regular Shareholders' Meeting of Year 2022

Time: AM 9:00, June 8, 2022.

Place: 7F, No. 12, Keya Rd., Daya Dist., Taichung City 428203, Taiwan (R.O.C.)

1. Commencement of Meeting
2. Chairman's Statement
3. Report Items
 - (1) Operation Report of the Year 2021
 - (2) Review Report for the Financial final accounts of the Year 2021 by the Audit Committee
 - (3) Report on Remuneration Distribution for Employees and Directors of the Year 2021
4. Matters for Ratification
 - (1) Ratification for the Financial final accounts of the Year 2021
 - (2) Ratification for the Remuneration Distribution for Employees and Directors of the Year 2021
5. Matters for Discussion
 - (1) Approved amendments of "Regulations Governing the Acquisition and Disposal of Assets"
6. Extempore motion
7. Adjournment

II. Report Items

A. Operation Report of the Year 2021

a. Execution Results of the Business Plan:

Unit: New Taiwan Dollar, thousand

Item	Year 2021		Year 2020	
	Amount	%	Amount	%
Operation Revenue	6,686,364	100	5,211,042	100
Operation Costs	(5,004,701)	(75)	(4,038,224)	(78)
Operation Margin	1,681,663	25	1,172,818	22
Operation Expenses	(1,230,031)	(18)	(776,207)	(15)
Operation Net Profit	451,632	7	396,611	7
Non-operating income and expenses	(47,832)	(1)	(72,563)	(1)
Net profit before tax	403,800	6	324,048	6
Income Tax Expense	(63,157)	(1)	(38,488)	—
Net Income after tax	340,643	5	285,560	6
Net income attributable to stockholders of the parent company	341,823	5	286,094	6
Net income attributable to non-controlling interests	(1,180)	—	(534)	—

b. Analysis of Profitability:

Item		Year 2021	Year 2020
Return on Assets (%)		2.09	2.10
Return on Equity of Shareholders (%)		4.50	4.38
Ratio to Paid-in Capital (%)	Operation Net Profit	16.16	15.58
	Net Income after tax	14.45	12.73
Net Profit Ratio (%)		5.09	5.48
Earnings per share(Not been retrospective adjusted)		1.23	1.12

c. Status of Research and Development:

1. The development results of Research & Development department in the last three years as follows:

- (1) Differential assembly.
- (2) Automatic and Tiptronic transmission components.
- (3) Torque conversion system parts.
- (4) Planetary gear set of Continuously Variable Transmission (CVT) gearbox.
- (5) Heavy locomotive gearbox and transmission components.
- (6) Gearbox parts for large agricultural machinery.
- (7) Precision mechanical reducer.
- (8) Gear hobbing machine, optical measuring instrument, gear scraping machine, chamfering machine.
- (9) All-Terrain vehicles (ATV) and electric scooters.
- (10) Electric vehicle gearbox components.
- (11) Gear rotation measuring instrument.

(12) Aerospace parts.

2. Major topics for future Research and Development

In recent years, the Company has worked hard towards product differentiation and market segmentation, committed to the development of high value-added products, and continued to invest in the design, research and development of green energy vehicle-related components to maintain its competitive advantage in the market and stabilize customers' relationships and their orders. In response to industrial upgrade and business expansion, the Company has successively purchased high-precision machinery and inspection equipment, cultivated R&D and design talents, invested in new product research and development, introduced smart manufacturing technology, and shortened research and development time to meet customer needs.

The focus of this year's research and development is to extend the previous year's results, to develop transmission systems for various vehicles, and to develop precision gears and transmission shafts required for green energy, environmentally friendly vehicle reducers.

The scheduled research and development products are as follows:

- (1) American automobile automatic transmission components.
- (2) American automobile torque conversion system components.
- (3) New gearbox components for European high-end heavy locomotives.
- (4) Oil pump gear of American industrial machinery.
- (5) Gearbox parts of American Agricultural and Construction Machinery.
- (6) US patented Limited Slip Differential (LSD).
- (7) European series CVT components.
- (8) Air compressor components for truck brake system
- (9) Gear hobbing machine, gear scraping machine, chamfering machine.
- (10) All kinds of ATVs, electric scooters and medical assistance vehicles.
- (11) American electric vehicle gearbox components and their assembly.
- (12) Bevel gear and bevel gear differential assembly.
- (13) Planetary gear set of hybrid transmission.
- (14) Gear intelligent production integration technology.
- (15) Electric vehicle high-efficiency power transmission system assembly.
- (16) Aerospace parts.

d. Business Plan outline of the Year 2022:

1. Management Guideline:

- (1) Improve quality system and strengthen quality management:

Nowadays, major automobile manufacturers are constantly improving in terms of precision and quality requirements. Therefore, in the Quality system and management, the Company reinforces the training of quality control personnel and prosecutes the management of suppliers, to assure product quality. Reducing the occurrence of internal defect and complaints from the external customers, it shall

stabilize existing customers and establish a long-term good relationship with them.

(2) Improve technical capabilities to meet customer requirements:

Main customers of the Company have been European and American automobile factories, and first-tier system factories for a long time, especially in the parts of electric vehicles, and the precision requirements have been continuously improved. Therefore, the Company has not only upgraded and improved the equipment for production and inspection but also reinforced the training of operators on the assembly lines and of supervisors' capabilities for management to continue the excellence of technical research and development and meet the needs of customers.

(3) Actively strive for cooperation opportunities with well-known foreign car manufacturers

The Company continues to strive for more long-term cooperation opportunities with foreign automobile component manufacturers, automotive manufacturers, and emerging manufacturers of electric vehicles. With excellent quality and professional research and development technology, the Company seeks strategic alliances and technical cooperation opportunities with major transmission manufacturers, automobile manufacturers and electric vehicle manufacturers.

(4) Promote Productivity 4.0:

The new Dapumei factory in Chiayi County first promotes the smart manufacturing production model. In addition to purchasing automated and semi-automated machines and advanced inspection equipment, it plans to gradually implement smart automated production and inspection, which will assure quality, reduce labor costs, and improve production efficiency, furthermore optimizing its competitive edge in the industry and technical transformation.

2. Production and Marketing policy

- (1) Strengthen the Company's research and development capabilities, provide customers with collaborative design services, prosecute the current IATF16949 quality certification system, improve business physique, and gradually promote toward Productivity 4.0, MES for manufacturing process and BI reports management. Meanwhile, the Company reinforces several quick response mechanisms including Total Quality Management activities (TQM), Lean Manufacturing (TPS), and Quality System Basics (QSB), and focuses on intense contact with customers to improve customer satisfaction.
- (2) Implement corporate social responsibility, demonstrate the spirit of sustainable business operations, continue to follow the ISO 14001 and ISO 45001 environmental safety and health certification systems, improve workplace environmental safety and health, and respond to environmental protection, energy conservation and carbon reduction issues, and strengthen the

implementation of ISO 14064 greenhouse gas inventory review, ISO 14067 carbon footprint certification.

- (3) In response to the global topic of Net Zero carbon emission and the massive development trend of electric vehicles and smart driving by various automakers, with abundant experience and technology, actively strive for relevant types of customers in various regions, design and develop collaboratively with them to expand the market of reducer components for electric vehicles.
- (4) To transmission components, differentials, torque conversion systems, planetary gear sets, and other transmission components for existing automobile manufacturers, in addition to continuously improving quality and reducing costs, increasing the Company's competitiveness, and then strive existing customers' orders from different regions in the world to expand the global market.

3. Future development strategy:

- (1) The development of Taiwan's automobile components is deeply influenced by the foreign automobile industry. From the perspective of the global consumer market, the Company continues to actively expand into the European, American, Chinese, and Emerging markets. However, in terms of energy conservation and carbon reduction, smart cars and electric vehicles are the focus of future vehicle development. Therefore, the Company must actively strive for major potential electric vehicle customers of related nature for collaborative development and cooperation to create new business opportunities.
- (2) Actively strive to cooperate and synchronize research and development with major international automobile manufacturers, transform for producing all-around systematic component assembly, thereby reducing the vicious competition of single-piece parts with simple manufacturing processes, to enhance profitability. It should be helpful for the Company's revenues and profits.
- (3) Continue to promote the joint research of high-tech R&D projects with industry, government, academia, and research; also local industry-academic cooperation to cultivate R&D and manufacturing talents. In addition to assisting in industrial upgrading, it can also fuel new R&D and manufacturing for the long term, and support the Company to utilize current patents to high-value-added systematic products.
- (4) In line with the government's "Our aircrafts manufactured by our own" policy, the Company has passed the AS 9100 aerospace system certification which officially obtained the entry ticket to participate in the aerospace industry. It is hoped that the Company's core technology of automotive precision

manufacturing can also be applied to the aerospace technology field, and adds new elements to the Company's product diversification.

4. Impacts by the external competition, the legal environment and the overall economics:
- (1) As countries are paying close attention to the global greenhouse effect caused by automobile exhaust gas, hybrid and electric vehicle products, new automobile companies have successively entered this market, it is nothing more than to produce environment-friendly vehicles with lower prices and higher quality. Hota industrial manufacturing is a professional manufacturer of transmission parts. In addition to providing technical services closer to customer needs, the Company enhances its competitiveness in the global energy-saving vehicle market and contributes to the automotive industry and the Net Zero carbon emission.
 - (2) Due to the events in the recent two years including overall issue with regards to worldwide deficiency of orders, materials, sea-freight containers, labor, etc. as a result of impacts by Novel Coronavirus Pneumonia (COVID-19) as well as the influences on the global economy and inflation in exchange rate resulting from the war, the Company shall take grasps on the rapid changes of customers and markets. For the global auto parts, related industries intelligence, and domestic and foreign laws and regulations must be continuously collected to cope with various operational risks in the future.

In the end, I would like to express my sincere gratitude to all shareholders for their long-term support and encouragement. Wish all shareholders healthy and everything as your heart wishes.

Chairman of the Board:
SHEN, GUO-RONG

General Manager:
CHEN, JUN-ZHI

Accounting Supervisor
CHEN, CHANG-YUAN

B. Review Report for the Financial Statements of the Year 2021 by the Audit Committee.

Audit Committee's Review Report

The board of directors has prepared and submitted the Company's Business Report, Financial Statements, and Proposal for Earnings Distribution of the Company for the year 2021. PwC Taiwan has also audited the financial statements and issued the auditors' report. The Business Report, Financial Statements, and Proposal for Earnings Distribution of the Company for the year 2021 have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to the Securities and Exchange Act and the Company Act, we hereby submit the report for ratification.

Hota Industrial MFG. Co., Ltd.

Convener of the Audit Committee: Zheng, Wen-zheng

March 16, 2022

- C. Report on Remuneration Distribution for Employees and Directors of the Year 2021
- a. According to the provisions of the Company Act and the Articles of Incorporation, if the Company makes a profit during the year, the remuneration of employees shall be no less than 2%, and the remuneration of directors shall be no more than 5%.
 - b. This proposal was passed by the board of directors on March 16, 2022, with a remuneration of NT\$8,500,000 for employees and NT\$3,600,000 for directors.
 - c. All the above will be paid in cash

III. Matters for Ratification

- A. Proceedings: Ratification for the financial final accounts of the Year 2021. (Proposed by the board of directors)

Explanation: The Company's consolidated financial statements, individual financial statements, and business reports of the Year 2021 have been prepared, approved by the Company's board of directors, and completely verified by accountants Wu Songyuan and Xu Jianye of PwC Taiwan, reviewed by the Audit Committee, and submitted for ratification. Please refer to Appendix 1 on page 10 to page 35 of this manual.

Resolution:

- B. Proceedings: Ratification of the earning distribution of the Year 2021. (Proposed by the board of directors)

Explanation:

- (1) The net profit after tax of the Company's business final accounts of the Year 2021 is NT\$341,822,734, and the distribution shall comply with the Company Act and the provisions of Article 27-1 and Article 28 of the Company's Articles of Incorporation.
- (2) The earning distribution proposal is based on the allocation of NT\$381,541,405 from the distributable retained earnings. According to the shareholder's shareholding recorded in the shareholder register on the base date of the distribution, a cash dividend of NT\$1.365 per common share, rounded down below one NT dollar; the total of the abnormal amount is included in the Company's other income.
- (3) If the proposal subsequently affected against the number of outstanding shares due to the purchase of treasury shares, the transfer and cancellation of treasury shares, the exercise of conversion of convertible corporate bonds, and the exercise of employee stock option certificates, etc., and changes the dividend rate of shareholders, the shareholders may fully authorize the chairman of the board to handle after the ratification of the proposal is confirmed.
- (4) After this proposal is ratified by the shareholders' meeting, the chairman may be authorized to set the ex-dividend base date, issuance date, and other related matters.
- (5) The distribution table for the year 2021. Please refer to Appendix 2 on page 36 of this manual.

Resolution:

IV. Matters for Discussion

- A. Proposal: Approved amendments of “Regulations Governing the Acquisition and Disposal of Assets”.

(Proposed by the board of directors)

Explanations: The Company has made amendments to its “Procedure for the Acquisition and Disposal of Assets” in accordance with Order Financial-Supervisory-Securities-Corporate-1110380465 by the Financial Supervisory Commission. Please refer to Appendix 3 page 37 to page 40 of this manual.

Resolution:

V. Extempore motion

VI. Adjournment

Appendix

(Appendix 1) The Financial Statements of the Year 2020

(Consolidated financial statements)

Hota Industrial Manufacturing Company Limited

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Hota Industrial Manufacturing Company Limited as of and for the year ended December 31, 2020, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Hota Industrial Manufacturing Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Hota Industrial Manufacturing Company Limited

By

SHEN, GUO-RONG

Chairman

March 17, 2021

These financial statements are translated from the traditional Chinese version and are unaudited by a CPA.

Independent Auditor's Report
(111) Ministry of Finance approved No.21004946

The Board of Directors and Shareholders
Hota Industrial Manufacturing Company Limited

Opinion

We have audited the accompanying consolidated states of Hota Industrial Manufacturing Company Limited and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, according to our audit result and audit reports from other accountants (please refer to "Others" section), the consolidated financial position of the Group as of December 31, 2021 and 2020, 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 the Securities Issuers and the International Reporting Standards (IRFS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters December 31, 2021 and 2020,

Key audit matters are those materials that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Cut-off date for international export income

Notes

With regard to the accounting policy on income recognition, please refer to Note 4 (29) of the consolidated financial report.

The Group mainly focused on the manufacturing and trading of related products for vehicle transmission parts. The main source of sales income is international export sales. Sales to customers involve different types of trading conditions. However, the Group recognize the sales revenue immediately after shipment. At the end of each period, ownership of the products that has not been transferred to the buyer due to the failure of the agreed trading conditions and the control of the product has not been transferred to the buyer. Because the data collection that does not meet the sales revenue recognition conditions involves a high degree of manual judgment and operation, the accountant has included the cut-off date of the export sales revenue as a significant review item.

Corresponding verification procedures

The accountants respond to above notes and take procedures for the specific aspects and procedures are summarized as follows:

1. Understand and evaluate the operating procedures and internal controls of the Company sales transactions, and test the controls.
2. Perform a cut-off test for sales transactions within a certain period before and after the end of the financial report, and confirm that revenue is recognized in the appropriate period.

Inventory allowance falling price and sluggish loss evaluation

Notes

With regard to inventory accounting policies, please refer to Note 4 (14) of the consolidated financial report. For important accounting estimates and assumptions for inventory evaluation, please refer to Note 5 (2) of the consolidated financial report. Please refer to Note 6 (6) of the consolidated financial report for the description of the inventory allowance loss. The Group's inventory and inventory allowance losses as of December 31, 2021 were NT\$3,161,905 thousand and NT\$105,119 thousand, respectively.

The Group is mainly engaged in the manufacturing and trading of automotive transmission parts related products. Due to the fierce competition in the automotive transmission parts market, there is a high risk of inventory falling-price loss or outdated price loss. The inventories of the Group are measured by cost and net realizable value. For inventories that are older than a certain period of age and those that are respectively identified as obsolete, provision is made for depreciation losses based on the degree of inventory depletion. The net realizable value used to evaluate obsolescence often involves subjective judgments and therefore a high degree of uncertainty in estimation exists. Considering the Group's inventory and its allowance for depreciation losses have a significant impact on the financial statements. The accountant believes that the Group's inventory depreciation loss evaluation is one of the most important items in this year's audit.

Corresponding verification procedures

The accountants respond to above notes and take procedures for the specific aspects and procedures are summarized as follows:

1. Understand and evaluate the inventory allowance for depreciation losses, the operating procedures and internal controls mentioned. And then test the controls.
2. Review the annual inventory-check plan and participate in the annual inventory check to evaluate the management's control of outdated inventory.
3. The policy for the provision of allowances for inventory evaluation losses is consistently adopted and the rationality of the provision policy is evaluated during the period of comparing the financial statements.
4. Obtain the inventory age reports to check the inventory items to test the accuracy of the inventory age calculation logic and information.
5. Regarding the estimated net realizable value of the inventory items, discuss with the management and obtain supporting documents, and then evaluate the rationality of the inventory allowance evaluation loss.

Other matters-adopting other accountant's audit reports

The Group's consolidated financial statements adopt equity method for investee companies whose financial statements have not been checked by this accountant, but by other accountants. Therefore, in the opinions expressed by this accountant on the above consolidated financial statements, the amounts listed in the financial statements of these companies are based on the audit reports of other accountants. The amount of investment using the equity method on December 31, 2021 and December 31, 2020 were NT\$314,127 thousand and 319,885 thousand, respectively, accounting for 1.49% and 1.74% of the total assets respectively. From January 1st to December 31st 2021 and from January 1st to December 31st 2020, the comprehensive profits recognized by the equity method were NT\$19,378 thousand in losses and NT\$2,398 thousand in losses, respectively, each accounting for 5.93% and 0.78% of comprehensive profit and loss.

Other matters – individual financial reports

Hota Industrial Manufacturing Company Limited has prepared its financial statements for the years ended December 31, 2021 and 2020, and we have issued an unqualified audit report thereon for your information.

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 the IRFS, IAS, IFRIC, and 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 preparation the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing. When 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 members of 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

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

2. Obtain an understanding of internal control relevant to the audit 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 the 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance departments, 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 the audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of significance in the audit of the consolidated financial statements for the year ended December 31, 2021 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.

P r i c e w a t e r h o u s e C o o p e r s T a i w a n

Wu, Song-yuan

CPA

Xu, Jian-ye

Financial Supervisory Commission

Approved-certified No.: 1090350620Financial Supervisory
1050035683

March 16, 2022March 16, 2022March 16,
2022March 16, 2022

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated Balance sheet

2021 and 2020 December 31

(In Thousands of New Taiwan Dollars)

ASSETS		NOTE	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 947,910	4	\$ 795,667	4
1120	Financial assets at fair value through other comprehensive income – current	6(2)	126,799	1	120,506	1
1136	Financial assets at amortized cost – current	6(3), 8	33,872	-	89,557	-
1150	Notes receivable	6(4)	50,462	-	18,537	-
1170	Accounts receivable	6(4), 7(2)	2,641,013	13	2,215,079	12
1200	Other receivables	6(5)	121,713	1	113,358	1
130X	Inventories	6(6)	3,056,786	14	1,898,027	10
1470	Other current assets		265,115	1	158,726	1
11XX	Total current assets		7,243,670	34	5,409,457	29
NONCURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income – noncurrent	6(2)	59,513	-	64,416	-
1535	Financial assets at amortized cost – noncurrent	6(3), 8	32	-	32	-
1550	Investments accounted for using equity method	6(7), 8	318,564	2	323,357	2
1600	Property, plant and equipment	6(8), 8	12,765,015	61	11,540,853	63
1755	Right-of-use assets	6(9)	304,088	1	317,045	2
1760	Investment property, net	6(11)	30,387	-	-	-
1780	Intangible assets		6,693	-	7,034	-
1840	Deferred income tax assets	6(30)	62,159	-	63,343	-
1900	Other noncurrent assets	6(12), 8	313,498	2	625,638	4
15XX	Total noncurrent assets		13,859,949	66	12,941,718	71
1XXX	TOTAL		\$ 21,103,619	100	\$ 18,351,175	100

(continue in next page)

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated Balance sheet

2021 and 2020 December 31

		(In Thousands of New Taiwan Dollars)			
		December 31, 2021		December 31, 2020	
LIABILITIES AND EQUITY	Note	Amount	%	Amount	%
CURRENT LIABILITIES					
2100 Short-term borrowings	6(13)	\$ 1,320,339	6	\$ 2,088,753	11
2110 Short - term notes and bills payable	6(14)	1,260,000	6	600,000	3
2130 Current contract liabilities		244	-	-	-
2150 Notes payable		921,500	5	431,512	2
2170 Accounts payable		1,104,467	5	578,527	3
2200 Other payables	6(15), 7(2)	864,227	4	437,713	3
2230 Income tax payable	6(30)	65,160	-	42,974	-
2280 Lease liabilities – current	6(9), 7(2)	19,083	-	18,363	-
2320 Long-term liabilities due within one year or business cycle	6(16)	1,159,609	6	2,156,481	12
2399 Other current liabilities		18,749	-	71,967	1
21XX Total current liabilities		<u>6,733,378</u>	<u>32</u>	<u>6,426,290</u>	<u>35</u>
NONCURRENT LIABILITIES					
2540 Long-term loans	6(16)	5,173,125	25	5,042,695	28
2570 Deferred income tax liabilities	6(30)	46,666	-	54,357	-
2580 Lease liabilities – noncurrent	6(9), 7(2)	247,554	1	257,476	1
2600 Other noncurrent liabilities	6(18)	158,768	1	163,314	1
25XX Total noncurrent liabilities		<u>5,626,113</u>	<u>27</u>	<u>5,517,842</u>	<u>30</u>
2XXX Total liabilities		<u>12,359,491</u>	<u>59</u>	<u>11,944,132</u>	<u>65</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital stock	6(20)				
3110 Common stock		2,795,175	13	2,545,175	14
Capital surplus	6(21)				
3200 Capital surplus		3,833,804	18	1,906,479	10
Retained earnings	6(22)				
3310 Appropriated as legal capital reserve		689,651	4	660,162	4
3320 Appropriated as special capital reserve		48,236	-	48,236	-
3350 Unappropriated earnings		1,316,593	6	1,227,622	7
Others	6(23)				
3400 Others		(60,354)	-	(35,116)	-
31XX Equity attributable to shareholders of the parent		<u>8,623,105</u>	<u>41</u>	<u>6,352,558</u>	<u>35</u>
36XX NON-CONTROLLING INTERESTS		<u>121,023</u>	<u>-</u>	<u>54,485</u>	<u>-</u>
3XXX Total equity		<u>8,744,128</u>	<u>41</u>	<u>6,407,043</u>	<u>35</u>
Significant Contingent Liabilities and Unrecognized Contractual Commitments	9				
3X2X Total liabilities and equities		<u>\$ 21,103,619</u>	<u>100</u>	<u>\$ 18,351,175</u>	<u>100</u>

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction with these consolidated financial statements.

Chairman : Shen, Guo-rong

Manager : Chen, Jun-zhi

Chief accountant : Chen, Chang-yuan

Hota Industrial Manufacturing Company Limited and Subsidiaries
Consolidated Statements of Comprehensive Income
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)
(Except for earnings per share of New Taiwan dollars)

ITEM	NOTE	2021		2020	
		Amount	%	Amount	%
4000 OPERATING REVENUE	6(24), 7(2)	\$ 6,686,364	100	\$ 5,211,042	100
5000 COST OF REVENUE	6(6)(29), 7(2)	(5,004,701)	(75)	(4,038,224)	(78)
5900 GROSS PROFIT		<u>1,681,663</u>	<u>25</u>	<u>1,172,818</u>	<u>22</u>
Operating expenses	6(29)				
6100 Sales and marketing expenses		(902,982)	(13)	(476,031)	(9)
6200 General and administrative expenses		(209,169)	(3)	(185,456)	(4)
6300 Research and development		(113,808)	(2)	(108,631)	(2)
6450 Expected credit losses	12(2)	(4,072)	-	(6,089)	-
6000 Total operating expenses		(1,230,031)	(18)	(776,207)	(15)
6900 INCOME FROM OPERATIONS		<u>451,632</u>	<u>7</u>	<u>396,611</u>	<u>7</u>
NON- OPERATING INCOME AND EXPENSES					
7100 Interest income	6(25)	949	-	4,803	-
7010 Other income	6(26)	101,135	1	110,810	2
7020 Other gains and losses	6(27)	(59,227)	(1)	(78,516)	(1)
7050 Finance costs	6(28)	(89,916)	(1)	(108,291)	(2)
7060 Share of profits of associates	6(7)	(773)	-	(1,369)	-
7000 Total non-operating income and expenses		(47,832)	(1)	(72,563)	(1)
7900 INCOME BEFORE INCOME TAX		403,800	6	324,048	6
7950 INCOME TAX EXPENSE	6(30)	(63,157)	(1)	(38,488)	-
8200 NET INCOME		<u>\$ 340,643</u>	<u>5</u>	<u>\$ 285,560</u>	<u>6</u>

(continue in next page)

Hota Industrial Manufacturing Company Limited and Subsidiaries
Consolidated Statements of Comprehensive Income
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)
(Except for earnings per share of New Taiwan dollars)

			2021		2020	
ITEM		NOTE	Amount	%	Amount	%
Other comprehensive income (loss), net						
Items that will not be reclassified subsequently to profit or loss:						
8311	Remeasurement of defined benefit obligation	6(18)	\$ 5,784	-	\$ 1,667	-
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	6(2)	1,677	-	16,638	-
8320	Share of other comprehensive loss of associates	6(7)(23)	(19,202)	-	4,416	-
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	6(30)	(1,147)	-	(348)	-
8310	Total items not reclassified to profit or loss		(12,888)	-	22,373	-
Items that may be reclassified subsequently to profit or loss:						
8361	Exchange differences arising on translation of foreign operations	6(23)	(8,129)	-	(8,149)	-
8367	Unrealized gain on investments in debt instruments at fair value through other comprehensive income	6(23)	1,514	-	10,321	-
8370	Share of other comprehensive loss of associates	6(7)(23)	4,031	-	(4,324)	-
8399	Income tax benefit (expense) related to items that will be reclassified subsequently	6(30)	1,383	-	2,227	-
8360	Total amount of items that may be reclassified to profit or loss in the future		(1,201)	-	75	-
8300	Other comprehensive income, net of tax		(\$ 14,089)	-	\$ 22,448	-
8500	Total comprehensive income		<u>\$ 326,554</u>	<u>5</u>	<u>\$ 308,008</u>	<u>6</u>
NET INCOME ATTRIBUTABLE TO:						
8610	Shareholders of the parent		\$ 341,823	5	\$ 286,094	6
8620	Non-controlling interests		(1,180)	-	(534)	-
	Total		<u>\$ 340,643</u>	<u>5</u>	<u>\$ 285,560</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
8710	Shareholders of the parent		\$ 328,016	5	\$ 308,010	6
8720	Non-controlling interests		(1,462)	-	(2)	-
	Total		<u>\$ 326,554</u>	<u>5</u>	<u>\$ 308,008</u>	<u>6</u>
Basic earnings per share						
9750	Total	6(31)	\$ 1.23		\$ 1.12	
Diluted earnings per share						
9850	Total Diluted earnings per share	6(31)	\$ 1.23		\$ 1.12	

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction with these consolidated financial statements.

Chairman : Shen, Guo-rong

Manager : Chen, Jun-zhi

Chief accountant : Chen, Chang-yuan

Hota Industrial Manufacturing Company Limited and Subsidiaries
Consolidated Statements of Changes in Equity
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)

Equity Attributable to Shareholders of the Parent												
		Retained Earnings				Others						
							Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
	Note	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Treasury Stock	Total	Non-controlling Interests	Total Equity	
<u>2020</u>												
BALANCE, JANUARY 1, 2020		\$ 2,549,565	\$ 1,916,204	\$ 593,292	\$ 23,850	\$ 1,533,901	(\$ 32,179)	(\$ 16,057)	\$ -	\$ 6,568,576	\$ 56,352	\$ 6,624,928
Net income		-	-	-	-	286,094	-	-	-	286,094	(534)	285,560
Other comprehensive income (loss), net of income tax	6(23)	-	-	-	-	1,360	(10,242)	30,798	-	21,916	532	22,448
Total comprehensive income in 2020		-	-	-	-	287,454	(10,242)	30,798	-	308,010	(2)	308,008
Appropriations of earnings in 2019	6(22)											
Legal capital reserve		-	-	66,870	-	(66,870)	-	-	-	-	-	-
Special capital reserve		-	-	-	24,386	(24,386)	-	-	-	-	-	-
Common stock and cash dividends to shareholders		-	-	-	-	(509,913)	-	-	(509,913)	-	(509,913)	
Share-based payment transaction	6(19)(21)	-	20,895	-	-	-	-	-	20,895	-	-	20,895
Disposal of investments in equity instruments at fair value through other comprehensive income	6(23)	-	-	-	-	7,436	-	(7,436)	-	-	-	-
Treasury stock repurchase	6(20)	-	-	-	-	-	-	-	(35,010)	(35,010)	-	(35,010)
Decrease in treasury stock	6(20)	(4,390)	(30,620)	-	-	-	-	-	35,010	-	-	-
The investee company distributes cash dividends		-	-	-	-	-	-	-	-	(1,865)	(1,865)	
BALANCE, DECEMBER 31, 2020		\$ 2,545,175	\$ 1,906,479	\$ 660,162	\$ 48,236	\$ 1,227,622	(\$ 42,421)	\$ 7,305	\$ -	\$ 6,352,558	\$ 54,485	\$ 6,407,043
<u>2021</u>												
BALANCE, JANUARY 1, 2021		\$ 2,545,175	\$ 1,906,479	\$ 660,162	\$ 48,236	\$ 1,227,622	(\$ 42,421)	\$ 7,305	\$ -	\$ 6,352,558	\$ 54,485	\$ 6,407,043
Net income		-	-	-	-	341,823	-	-	-	341,823	(1,180)	340,643
Other comprehensive income (loss), net of income tax		-	-	-	-	5,160	(2,715)	(16,252)	-	(13,807)	(282)	(14,089)
Total comprehensive income in 2021	6(23)	-	-	-	-	346,983	(2,715)	(16,252)	-	328,016	(1,462)	326,554
Appropriations of earnings in 2020	6(21)(22)											
Special capital reserve		-	-	29,489	-	(29,489)	-	-	-	-	-	-
Common stock and cash dividends to shareholders		-	(72,675)	-	-	(234,794)	-	-	(307,469)	-	(307,469)	
Cash capital increase	6(20)	250,000	2,000,000	-	-	-	-	-	2,250,000	-	-	2,250,000
Disposal of investments in equity instruments at fair value through other comprehensive income	6(23)	-	-	-	-	6,271	-	(6,271)	-	-	-	-
Non-controlling interests		-	-	-	-	-	-	-	-	68,000	68,000	
BALANCE, DECEMBER 31, 2021		\$ 2,795,175	\$ 3,833,804	\$ 689,651	\$ 48,236	\$ 1,316,593	(\$ 45,136)	(\$ 15,218)	\$ -	\$ 8,623,105	\$ 121,023	\$ 8,744,128

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction with these consolidated financial statements.

Chairman : Shen, Guo-rong

Manager : Chen, Jun-zhi

Chief accountant : Chen, Chang-yuan

Hota Industrial Manufacturing Company Limited and Subsidiaries
Consolidated Statement of Cash Flows
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)

	NOTE	January 1 to December 31, 2021	January 1 to December 31, 2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Income before income tax		\$ 403,800	\$ 324,048
Adjustments for:			
Provided by (used in) operating activities:			
Depreciation - Property	6(8)(29)	559,415	599,821
Depreciation - Right-of-use assets	6(9)(29)	15,592	23,262
Amortization expense	6(29)	6,373	10,067
Expected credit losses	12(2)	4,072	6,089
Interest expense	6(28)	85,708	103,511
Interest expense - Lease liability	6(9)(28)	4,208	4,780
Interest income	6(25)	(949)	(4,803)
Share of profits of associates	6(7)	773	1,369
Loss (gain) on disposal or retirement of property, plant and equipment, net	6(27)	(5,630)	(2,494)
Cash increase to retain employee subscription remuneration costs	6(19)	-	20,895
Unrealized exchange loss		37,465	10,045
Changes in operating assets and liabilities:			
Changes in operating assets			
Notes receivables		(31,967)	(15,794)
Trade receivables and trade receivables from related parties		(414,847)	39,590
Other receivables		(9,002)	(23,961)
Inventories		(1,160,392)	(12,553)
Other current assets		(106,631)	35,305
Other noncurrent assets		(15,617)	7,696
Changes in liabilities			
Notes payable		489,988	113,353
Accounts payable (related parties)		527,247	15,614
Other payables		306,051	(9,560)
Other current liabilities		(48,867)	12,880
Other noncurrent liabilities		1,230	44,215
Cash generated from operations		648,020	1,303,375
Income taxes paid		(42,627)	(109,226)
Interest received		950	4,806
Interest paid		(90,406)	(103,583)
Net cash generated by operating activities		515,937	1,095,372

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Hota Industrial Manufacturing Company Limited and Subsidiaries
Consolidated Statement of Cash Flows
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)

	NOTE	January 1 to December 31, 2021	January 1 to December 31, 2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisitions of: Financial assets at fair value through other comprehensive income – current		(\$ 1,293)	\$ -
Proceeds from disposal or redemption of: Financial assets at fair value through other comprehensive income – current		2,929	17,608
Decrease (increase) in financial assets at amortized cost		54,839	(1,112)
Acquisitions of: Financial assets at fair value through other comprehensive income – noncurrent		(7,121)	(6,503)
Investment using the equity method		(11,925)	-
Dividends received from investments accounted for using equity		1,221	2,441
Acquisitions of: Property, plant and equipment	6(32)	(1,582,254)	(1,689,681)
Proceeds from disposal or redemption of: Property, plant and equipment		197,125	10,235
Increase in intangible assets		(5,791)	(2,715)
Refundable deposits refunded		7,646	1,047
Net cash used in investing activities		(1,344,624)	(1,668,680)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans	6(33)	(762,651)	958,281
Proceeds from short-term bills payable	6(33)	660,000	40,000
Repayment of the principal portion of lease liabilities	6(33)	(13,468)	(20,136)
Proceeds from long-term bank loans	6(33)	1,385,207	6,319,534
Repayment from long-term bank loans	6(33)	(2,238,866)	(5,909,807)
Cash capital increase	6(20)	2,250,000	-
Cash dividends	6(22)	(307,469)	(509,913)
Proceeds from Disposal of Treasury Stock	6(20)	-	(35,010)
Net cash used in financing activities		972,753	842,949
EFFECT OF EXCHANGE RATE		8,177	(829)
NET INCREASE IN CASH AND CASH EQUIVALENTS		152,243	268,812
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		795,667	526,855
CASH AND CASH EQUIVALENTS, END OF YEAR		\$ 947,910	\$ 795,667

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction with these consolidated financial statements.

Chairman : Shen, Guo-rong

Manager : Chen, Jun-zhi

Chief accountant : Chen, Chang-yuan

These financial statements are translated from the traditional Chinese version and are unaudited by a CPA.

Independent Auditor's Report

(111) Ministry of Finance approved No. 21004711(111) Ministry of Finance approved No.
21004711(111) Ministry of Finance approved No. 21004711(111) Ministry of Finance
approved No. 21004711

The Board of Directors and Shareholders
Hota Industrial Manufacturing Company Limited Public

Opinion

We have audited the accompanying Individual states of Hota Industrial Manufacturing Company Limited (the "Company"), which comprise the individual balance sheets as of December 31,2021 and 2020, and the individual statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying individual financial statements present fairly, according to our audit result and audit reports from other accountants(please refer to "Others" section),the individual financial position of the Company as of December 31,2021 and 2020,and its individual financial performance and its individual cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by the Securities Issuers and the International Reporting Standards(IRFS), International Accounting Standards(IAS), IFRIC Interpretations(IFRIC), and SIC Interpretations (SIC) endorsed and issues into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters December 31, 2021 and 2020,

Key audit matters are those materials that, in our professional judgment, were of most significance in our audit of the individual financial statements for the year ended December 31,2021. These matters were addressed in the context of our audit of the Individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the company's individual financial statements for the year ended December 31, 2021 are stated as follows:

Cut-off date for international export income

Notes

With regard to the accounting policy on income recognition, please refer to Note 4 (28) of the individual financial report.

The Company mainly focused on the manufacturing and trading of related products for vehicle transmission parts. The main source of sales income is international export sales. Sales to customers involve different types of trading conditions. However, the Company recognize the sales revenue immediately after shipment. At the end of each period, ownership of the products that has not been transferred to the buyer due to the failure of the agreed trading conditions and the control of the product has not been transferred to the buyer. Because the data collection that does not meet the sales revenue recognition conditions involves a high degree of manual judgment and operation, the accountant has included the cut-off date of the export sales revenue as a significant review item.

Corresponding verification procedures

The accountants respond to above notes and take procedures for the specific aspects and procedures are summarized as follows:

1. Understand and evaluate the operating procedures and internal controls of the Company sales transactions, and test the controls.
2. Perform a cut-off test for sales transactions within a certain period before and after the end of the financial report, and confirm that revenue is recognized in the appropriate period.

Inventory allowance falling price and sluggish loss evaluation

Notes

With regard to inventory accounting policies, please refer to Note 4 (13) of the individual financial report. For important accounting estimates and assumptions for inventory evaluation, please refer to Note 5 (2) of the individual financial report. Please refer to Note 6 (6) of the individual financial report for the description of the inventory allowance loss. The Company's inventory and inventory allowance losses as of December 31, 2021 were NT\$2,767,618 thousand and NT\$85,702 thousand, respectively.

The Company is mainly engaged in the manufacturing and trading of automotive transmission parts related products. Due to the fierce competition in the automotive transmission parts market, there is a high risk of inventory falling-price loss or outdated price loss. The inventories of the Company are measured by cost and net realizable value. For inventories that are older than a certain period of age and those that are respectively identified as obsolete, provision is made for depreciation losses based on the degree of inventory depletion. The net realizable value used to evaluate obsolescence often involves subjective judgments and therefore a high degree of uncertainty in estimation exists. Considering the Company's inventory and its allowance for depreciation losses have a significant impact on the financial statements. The accountant believes that the Company's inventory depreciation loss evaluation is one of the most important items in this year's audit.

Corresponding verification procedures

The accountants respond to above notes and take procedures for the specific aspects and procedures are summarized as follows:

1. Understand and evaluate the inventory allowance for depreciation losses, the operating procedures and internal controls mentioned. And then test the controls.
2. Review the annual inventory-check plan and participate in the annual inventory check to evaluate the management's control of outdated inventory.
3. The policy for the provision of allowances for inventory evaluation losses is consistently adopted and the rationality of the provision policy is evaluated during the period of comparing the financial statements.
4. Obtain the inventory age reports to check the inventory items to test the accuracy of the inventory age calculation logic and information.
5. Regarding the estimated net realizable value of the inventory items, discuss with the management and obtain supporting documents, and then evaluate the rationality of the inventory allowance evaluation loss.

Other matters-adopting other accountant's audit reports

The company's individual financial statements adopt equity method for investee companies whose financial statements have not been checked by this accountant, but by other accountants. Therefore, in the opinions expressed by this accountant on the above individual financial statements, the amounts listed in the financial statements of these companies are based on the audit reports of other accountants. The amount of investment using the equity method on December 31, 2021 and December 31, 2020 were NT\$59,394 thousand and 45,707 thousand, respectively, accounting for 0.30% and 0.27% of the total assets respectively. From January 1st to December 31st 2021 and from January 1st to December 31st 2020, the comprehensive profits recognized by the equity method were NT\$2,843 thousand in benefits and NT\$258 thousand in losses, respectively, each accounting for 0.87% and 0.08% of comprehensive profit and loss.

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

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IRFS, IAS, IFRIC, and 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparation the Individual 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 members of the audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our Objectives are to obtain reasonable assurance about whether the individual 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 auditing standards generally accepted in 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 Individual financial statements.

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

1. Identify and assess the risks of material misstatement of the individual 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 the 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 Individual 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 individual financial statements, including the disclosures, and whether the Individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Individual 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 departments, 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 the audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of significance in the audit of the individual financial statements for the year ended December 31, 2021 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.

PricewaterhouseCoopers Taiwan

Wu, Song-yuan

CPA

Xu, Jian-ye

Financial Supervisory Commission

Approved-certified No.: Financial-Supervisory-Securities-Auditing-1090350620

Approved-certified No.: Financial-Supervisory-Securities-Auditing-1050035683

March 16, 2022

Hota Industrial Manufacturing Company Limited

Individual Balance Sheet

2021 and 2020 December 31

(In Thousands of New Taiwan Dollars)

			(in Thousands of New Taiwan Dollars)			
ASSETS		Note	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 776,622	4	\$ 687,561	4
1120	Financial assets at fair value through	6(2)				
	profit or loss		78,221	1	76,039	1
1136	Hedging financial assets	6(3), 8	2,121	-	57,355	-
1150	Notes receivable, net	6(4)	25,442	-	9,842	-
1170	Accounts receivable, net	6(4)	2,472,606	13	2,041,334	12
1180	Other receivables from related	7(2)				
	parties, net		37,761	-	18,665	-
1200	Other receivable	6(5), 7(2)	67,702	-	40,778	-
130X	Inventories	6(6)	2,681,916	14	1,676,038	10
1470	Other current assets		224,690	1	129,732	1
11XX	Total current assets		6,367,081	33	4,737,344	28
NONCURRENT ASSETS						
1517	Financial assets at fair value through	6(2)				
	profit or loss		54,313	-	57,650	-
1550	Investments accounted for using	6(7)				
	equity method		913,788	5	860,624	5
1600	Property, plant and equipment	6(8), 8	11,569,887	60	10,476,818	62
1755	Right-of-use assets	6(9)	250,524	1	257,098	2
1760	Investment property, net	6(11)	30,387	-	-	-
1780	Intangible assets		6,142	-	7,034	-
1840	Deferred income tax assets	6(31)	58,738	-	60,604	-
1900	Other noncurrent assets	6(12)	243,429	1	545,418	3
15XX	Total noncurrent assets		13,127,208	67	12,265,246	72
1XXX	TOTAL		\$ 19,494,289	100	\$ 17,002,590	100

(continue in next page)

Hota Industrial Manufacturing Company Limited

Individual Balance Sheet

2021 and 2020 December 31

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY		Note	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
CURRENT LIABILITIES						
2100	Short-term loans	6(13), 8	\$ 947,263	5	\$ 1,850,370	11
2110	Short-term bills payable	6(14)	1,260,000	7	600,000	4
2150	Notes payable		921,500	5	425,000	2
2170	Accounts payable	7(2)	958,995	5	438,171	3
2200	Other payable	6(15), 7(2)	795,731	4	435,034	3
2230	Income tax payable	6(31)	65,160	-	42,911	-
2280	Lease liability—Current		14,868	-	13,874	-
2320	Long-term liabilities due within one year or business cycle	6(16), 8	860,341	4	1,997,512	12
2399	Other current liabilities		15,779	-	69,321	-
21XX	Total current liabilities		5,839,637	30	5,872,193	35
NONCURRENT LIABILITIES						
2540	Long-term loan	6(16), 8	4,614,720	24	4,344,727	26
2570	Deferred income tax liabilities	6(31)	46,666	-	54,357	-
2580	Lease liability—noncurrent	6(9)	240,836	1	246,790	1
2600	Other noncurrent liabilities	6(18)	129,325	1	131,965	1
25XX	Total noncurrent liabilities		5,031,547	26	4,777,839	28
2XXX	Total liabilities		10,871,184	56	10,650,032	63
EQUITY						
	Capital	6(20)				
3110	Common shares		2,795,175	14	2,545,175	15
	Capital reserve	6(21)				
3200	Capital surplus		3,833,804	19	1,906,479	11
	Capital reserve	6(22)				
3310	Legal reserve		689,651	4	660,162	4
3320	Special reserve		48,236	-	48,236	-
3350	Unappropriated earnings		1,316,593	7	1,227,622	7
	Other equity	6(23)				
3400	Other equity		(60,354)	-	(35,116)	-
3XXX	Total equity		8,623,105	44	6,352,558	37
	Commitments and contingencies	9				
3X2X	Total liabilities and equities		\$ 19,494,289	100	\$ 17,002,590	100

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

Chairman : Shen, Guo-rong

Manager : Chen, Jun-zhi

Chief accountant : Chen, Chang-yuan

Hota Industrial Manufacturing Company Limited
Individual Statements of Comprehensive Income
2021 and 2020 January 1 to December 31

		(In Thousands of New Taiwan Dollars)					
		(Except for earnings per share of New Taiwan dollars)					
Item	Note	2021		2020			
		Amount	%	Amount	%		
4000 Net Revenue	6(24), 7(2)	\$ 6,230,770	100	\$ 4,787,240	100		
5000 Cost of revenue	6(6)(29)(30), 7(2)	(4,628,884)	(75)	(3,669,401)	(76)		
5900 Gross profit		1,601,886	25	1,117,839	24		
5910 Unrealized loss of sales		3,220	-	1,432	-		
5950 Net operating profit		1,605,106	25	1,119,271	24		
Operating expenses	6(29)(30)						
6100 Marketing		(861,507)	(14)	(451,722)	(10)		
6200 Administrative		(89,759)	(1)	(97,367)	(2)		
6300 Research and development		(113,808)	(2)	(108,631)	(2)		
6450 Expected credit impairment loss		(4,164)	-	(5,674)	-		
6000 Total Operating Expenses		(1,069,238)	(17)	(663,394)	(14)		
6900 Operation interest		535,868	8	455,877	10		
Other gains and losses							
7100 Interest income	6(25)	482	-	3,399	-		
7010 Other income	6(26)	26,010	-	80,510	2		
7020 Other gains and losses	6(27)	(77,381)	(1)	(107,801)	(2)		
7050 Finance costs	6(28)	(75,806)	(1)	(94,946)	(2)		
7070 Share of other comprehensive gain of subsidiaries on investments in equity instruments at fair value	6(7)	(8,172)	-	(19,370)	(1)		
7000 Total Other gains and losses		(134,867)	(2)	(138,208)	(3)		
7900 Net profits before tax		401,001	6	317,669	7		
7950 Income tax	6(31)	(59,178)	(1)	(31,575)	(1)		
8200 Net profits		\$ 341,823	5	\$ 286,094	6		

(continue in next page)

Hota Industrial Manufacturing Company Limited
Individual Statements of Comprehensive Income
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)
(Except for earnings per share of New Taiwan dollars)

			2021		2020	
	Item	Note	Amount	%	Amount	%
Other comprehensive income(loss), net						
Items Not reclassified to profit or loss						
8311	Measure on defined benefit plans	6(18)	\$ 5,584	-	\$ 1,863	-
8316	The share of other comprehensive profits and losses of subsidiaries, affiliates and joint ventures recognized using the equity method-items not reclassified to profits and losses		(582)	-	9,009	-
8330	The share of other comprehensive profits and losses of subsidiaries, affiliates and joint ventures recognized using the equity method-items not reclassified to profits and losses - Not reclassified to profit or loss		(16,491)	-	11,338	-
8349	Income tax related to items not reclassified to profit or loss	6(31)	(1,117)	-	(373)	-
8310	Total not reclassified to profit or loss		(12,606)	-	21,837	-
Items that may be reclassified to profit and loss in the future						
8361	Currency conversion difference in the conversion of financial statements of foreign operating organizations		(8,129)	-	(8,145)	-
8367	Net unrealized appraisal of gains and losses of debt instrument investments measured at fair value through other comprehensive gains and losses		1,514	-	10,321	-
8380	The share of other comprehensive profits and losses of subsidiaries, affiliates and joint ventures recognized using the equity method-items that may be reclassified to profits and losses		4,031	-	(4,324)	-
8399	Income tax related to items not reclassified to profit or loss	6(31)	1,383	-	2,227	-
8360	Total Items that may be reclassified to profit and loss		(1,201)	-	79	-
8300	Other comprehensive net gains/losses		(\$ 13,807)	-	\$ 21,916	-
8500	Total comprehensive gains/losses		\$ 328,016	5	\$ 308,010	6
Basic earnings per share						
9750	Total basic earnings per share	6(32)	\$ 1.23		\$ 1.12	
Diluted earnings per share						
9850	Total diluted earnings per share	6(32)	\$ 1.23		\$ 1.12	

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

Chairman : Shen, Guo-rong

Manager : Chen, Jun-zhi

Chief accountant : Chen, Chang-yuan

Hota Industrial Manufacturing Company Limited
Individual Statements of Changes in Equity
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)

	Notes	Common Shares	Capital Surplus	Retained earnings			Other interests		Treasury Stock	Total Equity
				Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income		
Year 2020										
BALANCE, JANUARY 1, 2020		\$ 2,549,565	\$ 1,916,204	\$ 593,292	\$ 23,850	\$ 1,533,901	(\$ 32,179)	(\$ 16,057)	\$ -	\$ 6,568,576
Net profits 2020		-	-	-	-	286,094	-	-	-	286,094
Other comprehensive gains/losses 2020	6(23)	-	-	-	-	1,360	(10,242)	30,798	-	21,916
Total comprehensive income		-	-	-	-	287,454	(10,242)	30,798	-	308,010
Earnings distribution and allocation 2019	6(21)(22)									
Legal reserve listed		-	-	66,870	-	(66,870)	-	-	-	-
Special reserve listed		-	-	-	24,386	(24,386)	-	-	-	-
Common stock cash dividend		-	-	-	-	(509,913)	-	-	-	(509,913)
Share-based payment transaction	6(19)(21)	-	20,895	-	-	-	-	-	-	20,895
Dispose of equity instruments measured at fair value through other comprehensive gains and losses	6(23)	-	-	-	-	7,436	-	(7,436)	-	-
Repurchase Treasury stock	6(20)	-	-	-	-	-	-	-	(35,010)	(35,010)
Logout Treasury stock	6(20)(21)	(4,390)	(30,620)	-	-	-	-	-	35,010	-
Balance, December 31, 2020		\$ 2,545,175	\$ 1,906,479	\$ 660,162	\$ 48,236	\$ 1,227,622	(\$ 42,421)	\$ 7,305	\$ -	\$ 6,352,558
Year 2021										
BALANCE, JANUARY 1, 2021		\$ 2,545,175	\$ 1,906,479	\$ 660,162	\$ 48,236	\$ 1,227,622	(\$ 42,421)	\$ 7,305	\$ -	\$ 6,352,558
Net profits 2021		-	-	-	-	341,823	-	-	-	341,823
Other comprehensive gains/losses 2021	6(23)	-	-	-	-	5,160	(2,715)	(16,252)	-	(13,807)
Total comprehensive income		-	-	-	-	346,983	(2,715)	(16,252)	-	328,016
Earnings distribution and allocation 2020	6(22)									
Legal reserve listed		-	-	29,489	-	(29,489)	-	-	-	-
Common stock cash dividend		-	(72,675)	-	-	(234,794)	-	-	-	(307,469)
Cash capital increase	6(20)(21)	250,000	2,000,000	-	-	-	-	-	-	2,250,000
Dispose of equity instruments measured at fair value through other comprehensive gains and losses	6(23)	-	-	-	-	6,271	-	(6,271)	-	-
Balance, December 31, 2021		\$ 2,795,175	\$ 3,833,804	\$ 689,651	\$ 48,236	\$ 1,316,593	(\$ 45,136)	(\$ 15,218)	\$ -	\$ 8,623,105

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

Chairman : Shen, Guo-rong

Manager : Chen, Jun-zhi

Chief accountant : Chen, Chang-yuan

Hota Industrial Manufacturing Company Limited
Individual Statement of Cash Flows
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)

	<u>Note</u>	<u>January 1 to December 31, 2021</u>	<u>January 1 to December 31, 2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Income before income tax		\$ 401,001	\$ 317,669
Adjustments for:			
Income expense item			
Depreciation expense	6(8)(29)	526,139	561,737
Depreciation expense - Right-of-use assets	6(9)(29)	10,391	16,602
Amortization	6(29)	5,971	9,671
Interest expense	6(28)	71,809	90,721
Interest expense-Lease liability	6(9)(28)	3,997	4,225
Interest income	6(25)	(482)	(3,399)
Expected credit loss	12(2)	4,164	5,674
Share of other comprehensive loss of subsidiaries on investments in equity instruments at fair value	6(7)	8,172	19,370
Cash increase to retain employee subscription remuneration costs	6(19)	-	20,895
Gain on disposal of intangible assets, net	6(27)	(5,010)	(2,493)
Unrealized sales loss		(3,220)	(1,432)
Unrealized exchange loss		36,514	10,045
Changes in assets/liabilities related to operation activities			
Property net change related to operation activities			
Notes receivable		(15,600)	(9,261)
Accounts receivable		(418,823)	144,012
Accounts receivable - related parties		(19,096)	680
Other accounts receivable		(26,925)	212,982
Inventory		(1,005,878)	49,220
Other current assets		(94,957)	12,593
Other noncurrent assets		1	(360)
Liabilities net change related to operation activities			
Notes payable (related parties included)		496,499	43,222
Accounts payable (related parties included)		520,825	9,841
Other payables		282,403	(14,861)
Other current liabilities		(53,542)	59,144
Other noncurrent liabilities		(1,123)	(2,047)
Cash inflow from operation activities		723,230	1,554,450
Interest charged		483	3,402
Interest paid		(72,493)	(92,343)
Income tax paid		(42,488)	(99,841)
Net cash inflow by operation activities		608,732	1,365,668

(continue in next page)

Hota Industrial Manufacturing Company Limited
Individual Statement of Cash Flows
2021 and 2020 January 1 to December 31

(In Thousands of New Taiwan Dollars)

	<u>Note</u>	<u>January 1 to December 31, 2021</u>	<u>January 1 to December 31, 2020</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisitions of: Financial assets at fair value through other comprehensive income – current		(\$ 1,293)	\$ -
Proceeds from disposal or redemption of: Financial assets at fair value through other comprehensive income – current		3,907	17,608
Decrease (increase) in financial assets measured at amortized cost		55,233	(56,749)
Gain financial assets measured at fair value through other comprehensive gains and losses from noncurrent		(5,401)	(6,503)
Investment using the equity method		(79,925)	-
Cash dividends from the equity method		1,221	5,363
Acquisitions of Property, plant and equipment	6(33)	(1,312,904)	(1,347,423)
Disposal of property, facility and equipment		43,481	7,180
Gain intangible assets		(4,839)	(3,287)
Decrease (increase) in refundable deposits		4,959	1,080
Net cash outflow by investing activities		(1,295,561)	(1,382,731)
<u>Cash flow from financing activities</u>			
Increase in short-term payables	6(34)	660,000	40,000
Increase (decrease) in short-term loans	6(34)	(898,390)	841,081
Long-term loan repayment	6(34)	(6,286,414)	(5,505,894)
Long-term borrowings repayment	6(34)	5,423,302	5,532,505
Lease principal repayment	6(34)	(12,169)	(14,809)
Cash dividends	6(22)(34)	(307,469)	(509,913)
Cash capital increase	6(20)	2,250,000	-
Treasury stock buyback cost	6(20)	-	(35,010)
Net cash inflow from financing activities		828,860	347,960
Impact of exchange rate changes on cash and cash equivalents		(52,970)	(20,782)
Increase in current cash and cash equivalents		89,061	310,115
Cash and cash equivalents in the beginning of term		687,561	377,446
Cash and cash equivalents in the end of term		<u>\$ 776,622</u>	<u>\$ 687,561</u>

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

Chairman : Shen, Guo-rong

Manager : Chen, Jun-zhi

Chief accountant : Chen, Chang-yuan

(Appendix 2) Table of Earnings Distribution

Hota Industrial MFG. Co., Ltd.
Earning Distribution statement of the year 2021

Unit: New Taiwan Dollar

Item	Amount	Remark
Unappropriated retained earnings at beginning of period	963,337,840	
Remeasurement of Defined benefit plans	5,160,746	
Sale of Equity Instrument at fair value through other comprehensive income.	6,271,736	
Net Profit of year 2021	341,822,734	
Unappropriated retained earnings, Total	1,316,593,056	
Legal Reserve (10%)	(35,325,522)	
Special Reserve	(12,118,079)	
Total retained earnings	1,269,149,455	
Current Distribution Items		
Cash Dividend (NTD 1.365 per share)	(381,541,405)	
Stock Dividend (NTD 0.0 per share)	—	
Current Distribution		
Unappropriated retained earnings at end of period	887,608,050	
<p>1. The Company's earnings distribution policy adopts the priority to allocate the earnings of the year 2021, if insufficient shall be compensated by the surplus of previous years on the first-in-first-out principle.</p> <p>2. The ex-right/ex-dividend rate is calculated based on the total number of shares issued and outstanding 279,517,513 shares; the actual allotment amount per thousand shares is calculated based on the actual number of shares issued and outstanding on the ex-rights/ex-dividend base date. In the case of this earnings distribution proposal, if the number of distributable shares of the Company's common shares has changed [reason for the change: It is the number of converted shares of convertible corporate bonds, or convertible special shares, or employee stock option], the shareholders' ex-right / ex-dividend ratio changes and need modification, shareholders' meeting is proposed to authorize the board of directors to deal with it.</p>		

Chairman of the Board:
SHEN, GUO-RONG

General Manager:
CHEN, JUN-ZHI

Accounting Supervisor
CHEN, CHANG-YUAN

(Appendix 3) Comparison table of the “Regulations Governing the Acquisition and Disposal of Assets” Before and After version.

Current Article	Revised Article	Description
<p>5. Provisions of External Experts</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. Paragraph Omitted. 2. Paragraph Omitted. 3. Paragraph Omitted. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the industry code of the respective affiliated trade associations and the following:</p> <ol style="list-style-type: none"> 1. Paragraph Omitted. 2. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the 	<p>5. Provisions of External Experts</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. Paragraph Omitted. 2. Paragraph Omitted. 3. Paragraph Omitted. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Paragraph Omitted. 2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the 	

Current Article	Revised Article	Description
information used is appropriate and reasonable and that they have complied with applicable laws and regulations.	information used is reasonable and accurate , and that they have complied with applicable laws and regulations.	
<p>2.1.3</p> <p>Where any one of the following circumstances applies with respect to the expert appraiser's appraisal results, unless that the appraisal price is higher than the transaction amount in acquisition of asset(s), or the appraisal price is lower than the transaction amount in disposal of asset(s), a certified public accountant shall issue a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	<p>2.1.3</p> <p>Where any one of the following circumstances applies with respect to the expert appraiser's appraisal results, unless that the appraisal price is higher than the transaction amount in acquisition of asset(s), or the appraisal price is lower than the transaction amount in disposal of asset(s), a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Republic of China Accounting Research and Development Foundation (hereinafter "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	
<p>2.2</p> <p>A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of</p>	<p>2.2</p> <p>A public company acquiring or disposing of securities shall obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of</p>	

Current Article	Revised Article	Description
securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	
2.3 In acquiring or disposing of intangible assets or right-of-use asset or membership the transaction amount of which reaches 20% of the Company's paid in capital or Three Hundred Million New Taiwan Dollar, unless transacting with a domestic government agency, a certified public accountant shall provide opinion which shall be dated before the date of occurrence in respect of the reasonableness of the transaction price.	2.3 Where the intangible assets or right-of-use asset the transaction amount of which reaches 20% of the Company's paid in capital or Three Hundred Million New Taiwan Dollar, unless transacting with a domestic government agency, a certified public accountant shall provide opinion in respect of the reasonableness of the transaction price in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	
2.4 Where the Company or its non-domestically public subsidiary engages in the transactions referred to in Paragraph 1 hereof, if the transaction amount reaches 10 percent or more of the public company's total assets, the public company shall present the information as stated in sections under Paragraph 1 hereof to the public company's shareholders' meeting for approval prior to signings of transaction agreement and payments; however, this shall not apply to the transactions between the public company and its parent company, subsidiary, or the transactions between its subsidiaries.	Newly Added	
2.5 The calculation of the transaction amounts	2.5 The calculation of the transaction	

Current Article	Revised Article	Description
referred to in Paragraph 1 and the preceding paragraph shall be done in accordance with 6.2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items having submitted to the shareholders' meeting and the board of directors for adoption and to the supervisors for rectification need not be counted toward the transaction amount.	amounts referred to in the preceding three articles shall be done in accordance with 6.2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	
6.1.6.1 Trading of domestic government bonds or foreign government bonds with credit ratings no lower than that of domestic sovereign ratings.	6.1.6.1 Trading of domestic government bonds.	
6.1.6.2 Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded note, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.	6.1.6.2 Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.	
8. This Procedure was amended on 8 th of June, 2022.	8. This Procedure was amended on 21 st of June, 2019.	

(Appendix 4) Articles of Incorporation

Hota Industrial MFG. Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be Hota Industrial MFG. Co., Ltd.

Article 2: The scope of business of the Company shall be as follows:

1. CD01990 Other Transport Equipment and Parts Manufacturing
2. CB01010 Mechanical Equipment Manufacturing
3. CB01990 Other Machinery Manufacturing
4. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
5. CD01040 Motorcycles and Parts Manufacturing
6. CD01050 Bicycles and Parts Manufacturing
7. CD01030 Motor Vehicles and Parts Manufacturing
8. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
9. CC01080 Electronics Components Manufacturing
10. F106010 Wholesale of Hardware
11. F206010 Retail Sale of Hardware
12. F111090 Wholesale of Building Materials
13. F211010 Retail Sale of Building Materials
14. F401010 International Trade
15. CF01011 Medical Devices Manufacturing
16. F108031 Wholesale of Medical Devices
17. F208031 Retail Sale of Medical Apparatus
18. Z999999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: Due to business needs, the Company may handle endorsement and guarantee matters in accordance with the Company's Operating procedures for endorsement and guarantee.

Article 3: The Company is headquartered in Taichung City, Taiwan, and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by the board of directors.

Chapter 2 Shares

Article 4: Total capital amount for the Company is set at NT\$ 3,500 million dollars which are divided into 350 million shares, with NT\$ 10 dollars per share. The

board of directors' meeting is hereby authorized to issue these shares in separate batches. The shares issued by the Company may be exempted from printing stocks, and shall be registered with the securities centralized custodial institution, and special shares may be issued within the aforementioned total amount of shares.

Article 4-1: With shareholders representing more than half of total shares issued attending shareholder's meeting as well as consent by more than two thirds of voting rights from attending shareholders, the Company may therefore assign shares to employees at prices lower than the actual average price of shares buy back.

Article 4-2: The Company may issue special shares less or equal than 150 million shares. The rights and obligations of the Company's special shares and other important issuance conditions are as follows:

1. If there is a surplus in the Company's annual financial statements, the earning shall by sequence pay taxes, make up for previous losses, withdraw 10% legal reserve, add undistributed earning as the cumulative undistributed earnings. After adjustment of withdrawing or reversing by laws and regulations, and deduct proper earning for reservation, if there is still a balance, the special shares may be given priority to distribute the dividends for the current year.
2. Special dividends are capped at an annual rate of 8%.
3. Special share dividends are calculated based on the actual issuance price. After the annual shareholders meeting recognizes the final financial statements, the board of directors sets the special dividend ex-dividend baseline date, and pays the special dividends of the previous year in cash. Special share dividends of the Year of issuance are calculated by actual number of issuance days in a year, and the base day of capital raising is set as the issuance date.
4. If the Company has no surplus or insufficient surplus in the Company's annual final accounts for special share dividends distribution, the undistributed or under-distributed dividends will be accumulated and deferred in future years with surplus.
5. The dividend baseline date, issuance and conversion method and other related matters of the special shares are authorized to the board of directors to determine in accordance with the Company Act and the regulations of the securities authority.
6. After three years from the delivery date of the special shares, the Company can redeem 50% of the special shares at a lump sum in cash at the issue price.
7. The issuance period of the special share is five years. The Company compulsory converts the outstanding special shares

into common shares on the expiry date. After the special shares are converted into common shares in accordance with this provision, the Company will accumulate unpaid dividends, except as otherwise followed by the laws and regulations, and compensate in cash.

8. If the special shares have been converted into common shares before the ex-right (ex-dividend) base date, the common shares participate in the conversion of the current year's shareholders' meeting resolutions related to the previous year's earnings and capital distribution but waive special dividends for the previous year. If the special shares are converted into common shares after the ex-right (ex-dividend) base date, they shall participate in the conversion of the current year's shareholders' meeting resolutions to distribute the special dividends of the previous year, and no longer participate in the conversion of common shares related to the previous year's earnings and capital reserve distribution. In the year of conversion, the special dividends of the current year are not allowed, but they can participate in the distribution of earnings and the capital reserve of common shares for the current year. Special dividends and ordinary dividends (interests) in the same year are based on the principle of non-repetitive distribution.
9. The special shares shall not participate in the distribution of earnings and capital reserve of common shares except for receiving special dividends.
10. The distribution of the Company's residual assets by the special shares takes precedence over the common shares, but it does not exceed the amount of the special shares issued.
11. Special shares shareholders have no voting rights and electing rights in the common shares shareholders' meeting, but they may be elected as directors.
12. When the Company issues new shares in cash, special shares, and common shares shareholders have the same preferred stock options.

Article 5: The total number of reinvestments of the Company is not subject to the restriction of Article 13 of the Company Act that the reinvestment shall not exceed 40% of the paid-in capital.

Article 6: The Company's share affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority.

Article 7: The entries in the shareholders' register shall not be altered within 30 days

prior to the convening date of a regular shareholders' meeting, or within 15 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' meeting

- Article 8: The Company's shareholders' meeting has two types:
1. The regular shareholders' meeting shall be held within six months after the end of each fiscal year.
 2. The extraordinary shareholders' meeting shall be convened in accordance with relevant laws and regulations when necessary.
- Article 9: When a shareholder is unable to attend the shareholders' meeting for some reason, in accordance with Article 177 of the Company Act, the shareholder may issue a proxy letter and entrust a representative to attend the meeting.
- Article 10: The meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave, the chairperson shall appoint one of the managing directors to act as chair; if the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.
- Article 11: Resolutions at a shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. At the time of voting, if there is no objection after consultation by the chairman of the shareholders present, it shall be deemed as passed, and its effect shall be the same as the voting.
- Article 11-1: When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and by writing. A shareholder exercising voting rights by writing or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting in according to Article 177-2 of the Company Act.
- Article 12: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The attendance list bearing the signatures of shareholders present at the meeting and the proxies shall be kept by the Company for check. The dissemination of

the meeting minute shall be done by way of public announcement.

Chapter 4 Directors

- Article 13: The board of directors of the Company have 9 to 13 directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a director is three years and he/she may be eligible for re-election. The total number of shares held by all directors shall not be less than a certain percentage of the total issued shares of the Company, and the percentage shall be in accordance with the regulations of the competent authority. The Company shall appoint independent directors within the number of directors. They shall be not less than three in number and not less than one-fifth of the total number of directors.
- Article 13-1: The election and appointment of the Company's directors (including independent directors) are in accordance with the nomination system stipulated in Article 192 of the Company Act. The shareholders' meeting shall elect directors from the list of director candidates. The matters that independent directors should follow shall be handled in accordance with the Company Act, the Securities Exchange Act, and the regulations of the securities authorities.
- Article 13-2: For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors may set up functional committees in which the numbers of members, terms of office, and powers of committee members, as well as the related rules shall be defined by the board of directors and complied with related laws and regulations.
- The Company shall establish an audit committee to replace supervisors. The audit committee shall be composed of the entire number of independent directors, not be fewer than three persons in number, one of whom shall be convener, and set forth in accordance with the Company Act, the Securities Exchange Act, and other rules and regulations for supervisors.
- Article 13-3: The remuneration and the traffic expenses of the directors of the Company shall be evaluated by the Salary and Compensation Committee on the value of their participation in and contribution to the operation of the Company. The Board of Directors shall be authorized to make decisions based on the evaluation of the Salary and Compensation Committee and with reference to domestic and foreign industry standards. To enhance corporate management, the Company shall take out directors and important members' liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk to the Company and shareholders arising from their wrongdoings or negligence. The insured amount of the liability insurance taken out shall authorize the board of directors to deal with.

- Article 14: When the number of directors falls short by one-third of the total number of directors, or the discharge of all independent directors, the Company shall convene a shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).
- Article 15: When a director's term of office expires and is not in time for re-election, his executive duties shall be extended until the re-elected director takes office.
- Article 16: The board of directors shall elect a Chairman and a Vice Chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall externally represent the Company.
- Article 17: Meetings of the board of directors shall be convened by the chairman, except for other regulations of the Company Act. In calling a meeting of the board of directors, a notice shall be given to each director, by means of documents, electronic mails, or facsimile, no later than seven (7) days prior to the scheduled meeting date. In the case of an emergency, a meeting of the board of directors may be convened at any time. Unless otherwise provided for the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. If a director could not attend the meeting, he/she shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only.
- Article 18: In case the chairman of the board of directors can not exercise his duty, the vice-chairman shall act on his behalf. In case the vice-chairman is also unable to exercise his duty, the Chairman of the board of directors shall designate one of the directors to act on his behalf, or where there is no director designated, one of the directors recommended among directors to act on his behalf.
- Article 19: The duties of the board of directors are as follows:
1. The formulation of the Company's operating policy.
 2. Review of mid-term and long-term development plans.
 3. Review and implementation of the annual business plan.
 4. Review of budget and final accounts.
 5. Review of the plan for capital increase or decrease.
 6. Review of important external contracts.
 7. Deliberation on the amendments to the Articles of Incorporation of the Company.
 8. Approval of the Company organization charter rules, working rules, and important business operation procedures.
 9. The establishment, alteration, or cancellation of subsidiary or branch office.
 10. Approval of major capital expenditures.

11. Recruitment and dismissal of managers.
12. Ratification for review items submitted by the General Manager.
13. Other matters prescribed by law.

- Article 20: Resolutions adopted at a meeting of the Board of Directors shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all directors of the Company within twenty (20) days after the close of the meeting. The attendance list bearing the signatures of directors present at the meeting and the proxies shall be kept by the Company.
- Article 21: Deleted.
- Article 22: Deleted.

Chapter 5 Managers and Employees

- Article 23: The Company may appoint a manager (including the General Manager) whose appointment, dismissal, and remuneration shall be made by the Board of Directors with a majority of the directors present and a resolution approved by a majority of the directors present. The manager should have a domicile or residence domestically.
- Article 24: The Company may hire consultants and important staff upon the resolutions by the Board of Directors with a majority of the directors present and a resolution approved by a majority of the directors present.
- Article 25: Other employees of the Company shall be submitted by the General Manager to the Chairman of the board for approval.

Chapter 6 Accounting

- Article 26: According to Article 228 of the Company Act, at the close of each fiscal year, the Board of Directors shall prepare the following statements and records and shall forward the same to the Audit Committee for their review, not later than the 30th day before the meeting date of a Regular shareholders' meeting:
1. The business report;
 2. The financial statements; and
 3. The surplus earning distribution or deficit off-setting proposals.
- Article 27: If the Company makes annual profits, it shall allocate no less than 2% for employee remuneration and no more than 5% for directors' remuneration, the board of directors shall decide to distribute in stocks or in cash, and the distribution targets for employee remuneration include employees of affiliated companies who meet certain conditions. However, when the Company still has accumulated losses, it shall reserve the number of earnings in advance, and then allocate employee remuneration and director remuneration in proportion to the preceding paragraph.

Article 27-1: If there is a surplus in the Company's annual financial statements, the earning shall by sequence pay taxes, make up for previous losses, withdraw 10% legal reserve, except the legal reserve has reached the paid-in capital. After the special reserve is withdrawn or reversed in accordance with the law, the "dividend of special shares should be distributed in priority in the current year, and the accumulated undistributed dividends in previous years". If there is still a surplus, the balance will be added to the undistributed retained earnings of the previous year for the Board of Directors to draft an Earning Distribution proposal and submit it to the shareholders meeting for resolution.

Chapter 7 Supplementary Provisions

Article 28: The Company's dividend policy shall proceed in the following: the Company considers the capital needs of the industry, improves the financial structure, as well as the business growth. The Company's Board of Directors considers the profitability and the business requirements, and proposes an earnings distribution plan, and submits it to shareholders' meeting for ratification. In the earning distribution plan proposed by the board of directors, the total amount of shareholders' dividends should be between 30% and 80% of the current year's distributable retained earnings, and the dividend paid in cash should not be less than 20% of the total amount of shareholders' dividends.

Article 29: Matters not stipulated in this Articles of Incorporation shall be handled in compliance with the Company Act and other laws and regulations.

Article 30: This Article of Incorporation was set up on October 17, 1972. The first amendment was on November 20, 1972; the second amendment was made on December 18, 1972; the third amendment was made on May 5, 1973; the fourth amendment was made on July 14, 1973; the fifth amendment was made on September 19, 1974; the sixth amendment was made on April 26, 1975; the seventh amendment was made on November 25, 1975; the eighth amendment was made on August 17, 1977; the ninth amendment was made on May 23, 1981; the tenth amendment was made on January 8, 1983; the eleventh amendment was made on October 24, 1990; the 12th amendment was made on August 1, 1991; the 13th amendment was made on January 14, 1992; the 14th was made on May 22, 1996; the 15th amendment was made on June 30th, 1996; the 16th amendment was made on May 14, 1997; the 17th amendment was made on December 15, 1997; the 18th amendment was made on May 8, 1998; the 19th amendment was made on June 16, 1999; the 20th amendment was made on May 18, 2000; the 21st amendment was made on May 18, 2000; the 22nd amendment was made on July 24, 2001; the 23rd amendment was made on June 20, 2002; the 24th amendment was made on June 6, 2003; the 25th amendment was made on June 6, 2003; the 26th amendment was made on April 28th, 2004; the 27th amendment was made on

April 28th, 2004; the 28th amendment was made on June 22, 2005; the 29th amendment was made on May 17, 2006; the 30th amendment was made on May 23, 2007; the 31st amendment was made on June 25, 2008; the 32nd amendment was made on January 22, 2009; the 33rd amendment was made on January 27, 2010; the 34th amendment was made on June 29, 2010; the 35th amendment was made on May 30, 2011; the 36th amendment was made on June 6, 2012; the 37th amendment was made on June 18, 2013, the 38th amendment was made on June 12, 2014; the 39th amendment was made on June 11, 2015; the 40th amendment was made on June 23, 2016; the 41st amendment was made on June 14, 2017; the 42nd amendment was made on June 12, 2018; the 43rd amendment was made on June 10, 2020.

Hota Industrial MFG. Co., Ltd.

Chairman of the Board: SHEN, GUO-RONG

Hota Industrial MFG. Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Amended on July 20, 2021

1. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

2. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article

172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

3. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

5. The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

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

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

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.

6. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any

reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

8. Attendance at shareholders meetings shall be calculated based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

9. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the

attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name.

The order in which shareholders speak will be set by the chair.

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

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

15. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are

delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

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

16. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

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

17. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

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. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the

number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

19. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Where the venue is furnished with loudspeaker devices, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

20. The Company shall make expressive announcements of the number of shares solicited by solicitors or shares represented by entrusted proxies on-site at the venue of the shareholder's meeting on the date of the shareholders' meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

21. Matters unspecified in these Rules shall be handled pursuant to the Company Act, Articles of Incorporation of the Company and other relevant laws and regulations.
22. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner. 1st Amendment was made on 18th of June, 2013. 2nd Amendment was made on 11th of June, 2015. 3rd Amendment was made on 20th of July, 2021.

(Appendix 6) Shareholding of all Directors**Hota Industrial MFG. Co., Ltd.**

Shareholding of all Directors: As of the book closure date, the number of shares held by individual and all directors recorded in the shareholder register is as follows:

The book closure date: April 10, 2022

Title	Name	Appointment Date	Term of Office	Shares held when appointed		Shares held on the book closure date	
				Shares	Ratio %	Shares	Ratio %
Chairman	SHEN, GUO-RONG	109.6.10	3	3,977,067	1.56	3,889,367	1.39
Director	LIN, YAN-HUI	109.6.10	3	3,541,292	1.39	3,802,174	1.36
Director	LIN, MEI-YU	109.6.10	3	3,192,000	1.25	3,281,000	1.17
Director	HUANG, FENG-YI	109.6.10	3	1,819,000	0.71	1,968,000	0.70
Director	WANG, HUI-E	109.6.10	3	800,000	0.31	791,272	0.28
Director	CAI, YU-KONG	109.6.10	3	933,364	0.37	930,000	0.33
Director	Zhong-Bu Investment Representative: ZHANG, YU-ZHENG	109.6.10	3	10,625,475	4.17	11,985,241	4.29
Director	Zhong-Bu Investment Representative: LIN, YUE-HONG	109.6.17	3	* 10,625,475	* 4.17	* 11,985,241	* 4.29
Director	GAO-FENG Industrial Representative: SHEN, QIAN-CI	109.6.10	3	6,581,396	2.58	7,066,239	2.53
Director	HAO-QING Investment Representative: SUN, YONG-LU	109.6.10	3	80,423	0.03	86,347	0.03
Independent Director	QUE, MING-FU	109.6.10	3	0	0	0	0
Independent Director	LIU, ZHENG-HUAI	109.6.10	3	0	0	0	0
Independent Director	ZHENG, WEN-ZHENG	109.6.10	3	0	0	0	0
All directors total				31,550,017	12.37	33,799,640	12.08

Remarks:

1. The Company has issued 279,517,513 shares as of the book closure date on April 10, 2022.
2. The legal minimum number of shares to be held by all directors: 13,975,876 shares.