



Regular Shareholders' Meeting
Of the Year 2023

Meeting Manuel

Date of Shareholders' Meeting: June 13, 2023

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I. Meeting Agenda

Hota Industrial Mfg. Co., Ltd.

Meeting Agenda of Regular Shareholders' Meeting of Year 2023

Time: AM 9:30, June 13, 2023.

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 2022
 - (2) Review Report for the Financial final accounts of the Year 2022 by the Audit Committee
 - (3) Report on Remuneration Distribution for Employees and Directors of the Year 2022
 - (4) Report on fund loan and endorsement guarantee.
4. Matters for Ratification
 - (1) Ratification for the Financial final accounts of the Year 2022
 - (2) Ratification for the Remuneration Distribution for Employees and Directors of the Year 2022
5. Matters for Discussion I
 - (1) Amendment of certain clauses of the "Articles of association"
 - (2) Amendment of certain clauses of "Procedures for Shareholders' Meetings" submitted.
6. Election matters: Directors re-election
7. Matters for Discussion II: Discussion on lifting director's non-compete clause in the Company.
8. Extempore motion
9. Adjournment

II. Report Items

A. Operation Report of the Year 2022

a. Execution Results of the Business Plan:

Unit: New Taiwan Dollar, thousand

Item	Year 2022		Year 2021	
	Amount	%	Amount	%
Operation Revenue	7,339,165	100	6,686,364	100
Operation Costs	(5,643,604)	(77)	(5,004,701)	(75)
Operation Margin	1,695,561	23	1,681,663	25
Operation Expenses	(1,156,625)	(16)	(1,230,031)	(18)
Operation Net Profit	538,936	7	451,632	7
Non-operating income and expenses	229,562	3	(47,832)	(1)
Net profit before tax	768,498	10	403,800	6
Income Tax Expense	(139,425)	(2)	(63,157)	(1)
Net Income after tax	629,073	8	340,643	5
Net income attributable to stockholders of the parent company	623,958	8	341,823	5
Net income attributable to non-controlling interests	5,115	—	(1,180)	—

b. Analysis of Profitability:

Item		Year 2022	Year 2021
Return on Assets (%)		3.31	2.09
Return on Equity of Shareholders (%)		7.10	4.50
Ratio to Paid-in Capital (%)	Operation Net Profit	19.28	16.16
	Net Income after tax	27.49	14.45
Net Profit Ratio (%)		8.57	5.09
Earnings per share(Not been retrospective adjusted)		2.23	1.23

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 2023:

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 2022 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 2022. 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 2022 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, 2023

C. Report on Remuneration Distribution for Employees and Directors of the Year 2022

- 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, 2023, the employee remuneration and director's remuneration in 2022 are as follows:
 - (1) 2.14% as the remuneration to employees, namely NT\$16,800,000.
 - (2) 0.57% as the remuneration to directors, namely NT\$4,500,000.
- c. All the above will be paid in cash

D. Report on fund loan and endorsement guarantee.

- a. As of December 31, 2022, endorsement guarantee are as follows:

Unit:NTD (thousand)

Endorser/ Guarantor	Company name	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Ceiling on total amount of endorsements/ guarantees provided
Hota Industrial Manufacturing Company Limited	Howon(Whaia) Automobile Components Company Limited	1,769,933	337,260	337,260	324,751	3,539,866
Hota Industrial Manufacturing Company Limited	Howon(Whaia) Automobile Components Company Limited	1,769,933	214,620	214,620	185,186	3,539,866
Hota Industrial Manufacturing Company Limited	Hefu Construction Co., Ltd.	1,769,933	156,000	156,000	48,500	3,539,866

Note: The guarantees and endorsements for a single party should not exceed 20% of the Company's net assets, The ceiling on total amount of endorsements/guarantees provided to others by the Company is 40% of the Company's net assets.

- b. As of December 31, 2022, fund loan are as follows:

Unit:NTD (thousand)

Creditor	Borrower	Reason for short-term financing	Maximum outstanding balance during the year ended 2022/12/31	Balance at December 31, 2022	Actual amount drawn down	Limit on loans granted to a single party	Ceiling on total loans granted
Hota Industrial Manufacturing Company Limited	YUNG-CHIN DEVELOP FORGINGCO., LTD.	Purchase of equipment	12,000	12,000	9,600	1,769,933	3,539,866
Hota Industrial Manufacturing Company Limited	CHIEN LI INDUSTRIAL CO., LTD.	Purchase of equipment	6,000	6,000	6,000	1,769,933	3,539,866
Hota Industrial Manufacturing Company Limited	Howon(Whaia) Automobile Components Company Limited	Purchase of equipment	122,640	122,640	0	1,769,933	3,539,866

Note: Limit on loans granted for a single party is 20% of the net assets of the Company. The ceiling on total loans to others is the Company net assets, the limit is 40% of the Company net assets.

III. Matters for Ratification

- A. Proceedings: Ratification for the financial final accounts of the Year 2022. (Proposed by the board of directors)

Explanation: The Company's consolidated financial statements, individual financial statements, and business reports of the Year 2022 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 12 to page 36 of this manual.

Resolution:

- B. Proceedings: Ratification of the earning distribution of the Year 2022. (Proposed by the board of directors)

Explanation:

- (1) The net profit after tax of the Company's business final accounts of the Year 2022 is NT\$623,958,494, 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\$447,228,021 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\$1.6 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 2022. Please refer to Appendix 2 on page 37 of this manual.

Resolution:

IV. Matters for Discussion I

- A. Proposal: Amendment of certain clauses of the “Articles of association”.

(Proposed by the board of directors)

Explanations: Due to future operational needs, the company intends to amend some provisions of the " Articles of association ". Please refer to Appendix 3 page 38 of this manual.

Resolution:

- B. Proposal: Amendment of certain clauses of “Procedures for Shareholders’ Meetings” submitted.

(Proposed by the board of directors)

Explanations: The Company has made amendments to its “Procedures for Shareholders’ Meetings” in accordance with Order Financial-Supervisory-Securities-Corporate-1110380914 by the Financial Supervisory Commission. Please refer to Appendix 4 page 39 to page 50 of this manual.

Resolution:

V. Election matters

- A. Proposal: 12th term Board of Directors election of 13 seats (including 4 seats of Independent Directors).

(Proposed by the board of directors)

1. The term of office of the original directors of the company expires on June 9, 2023. In accordance with the relevant laws and regulations, they shall be re-elected at the shareholders' meeting in this year. Thirteen Directors (four of them are independent directors) shall be elected in accordance with the articles of association.

2. The term of office of the new directors shall be three years, from June 13, 2023 to June 12, 2026.

3. The directors shall be elected by opting candidates’ nomination system as specified in Article 192-1 of the Company Act in accordance with the Article 13-1 of the Articles of Incorporation of the Company. The director shall be elected from the nominated candidates, whose academic and professional background and relevant information, please refer to Appendix 5 page 51 to page 53 of this manual.

Voting Result:

VI. Matters for Discussion II

A. Proposal: Discussion on lifting director's non-compete clause in the Company.

(Proposed by the board of directors)

1. A director who conducts business within the business scope of the Company for himself or others shall explain to the meeting of shareholders the essential contents of such an act and secures its approval in accordance with Article 209 of the Company Act.
2. Considering based on business or investment business needs, it is proposed to comply the resolution of the shareholders' Meeting to lift the non-compete restriction newly Directors and their representatives
3. Director Candidates lifting restrictions list of non-compete prohibition please refer to Appendix 6 page 54 of this manual.

Resolution:

VII. Extempore motion

VIII. Adjournment

IX. Appendix

Appendix 1 : The Financial Statements of the Year 2022

(Consolidated financial statements)

Hota Industrial Manufacturing Company Limited REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of Hota Industrial Manufacturing Company Limited as of and for the year ended December 31, 2022, 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 consolidated financial statements is included in the consolidated financial statements. Consequently, Hota Industrial Manufacturing Company Limited and Subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,

Company : Hota Industrial Manufacturing Company Limited

Chairman : SHEN, GUO-RONG

March 16, 2023

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

Independent Auditor's Report

(112) Ministry of Finance approved No.22004926

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, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by 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. 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

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, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 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 (7) 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, 2022 were NT\$3,575,340 thousand and NT\$120,418 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, 2022 and December 31, 2021 were NT\$556,090 thousand and NT\$314,127 thousand, respectively, accounting for 2.43% and 1.49% of the total assets, respectively. From January 1 to December 31, 2022 and 2021, the comprehensive income recognized by the equity method were NT\$15,865 thousand in losses and NT\$19,378 thousand in losses, respectively, each accounting for 2.59% and 5.93% of comprehensive income.

Other matters – individual financial reports

Hota Industrial Manufacturing Company Limited has prepared its financial statements for the years ended December 31, 2022 and 2021, 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 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 auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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.:

Financial-Supervisory-Securities-Auditing-
1090350620

Financial-Supervisory-Securities-Auditing-
1050035683

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Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated Balance sheet

2022 and 2021 December 31

(In Thousands of New Taiwan Dollars)

ASSETS		Note	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 1,072,452	5	\$ 947,910	4
1110	Financial assets measured at fair value through profit or loss-current	6(2)	10,562	-	-	
1120	Financial assets measured at fair value through other comprehensive income-current	6(3)	83,735	-	126,799	1
1136	Financial assets at amortized cost-current	6(4) and 8	204,848	1	33,872	-
1150	Notes receivable, net	6(5)	968	-	50,462	-
1170	Accounts receivable, net	6(5) and 7(2)	2,949,521	13	2,641,013	13
1200	Other receivables	6(6)	197,690	1	121,713	1
130X	Inventories	6(7)	3,454,922	15	3,056,786	14
1470	Other current assets		254,443	1	265,115	1
11XX	Total current assets		8,229,141	36	7,243,670	34
NON-CURRENT ASSETS						
1517	Financial assets measured at fair value through other comprehensive income-non-current	6(3)	65,040	-	59,513	-
1535	Financial assets at amortized cost-non-current	6(4) and 8	32	-	32	-
1550	Investments accounted for using equity method	6(8) and 8	298,839	1	318,564	2
1600	Property, plant and equipment	6(9) and 8	13,759,127	60	12,765,015	61
1755	Right-of-use assets	6(10)	316,790	2	304,088	1
1760	Investment properties, net	6(12)	30,387	-	30,387	-
1780	Intangible assets		7,552	-	6,693	-
1840	Deferred income tax assets	6(30)	48,296	-	62,159	-
1900	Other non-current assets	6(13), 7(2) and 8	171,107	1	313,498	2
15XX	Total non-current assets		14,697,170	64	13,859,949	66
1XXX	Total assets		\$ 22,926,311	100	\$ 21,103,619	100

(continue in next page)

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated Balance sheet

2022 and 2021 December 31

		(In Thousands of New Taiwan Dollars)			
		December 31, 2022		December 31, 2021	
LIABILITIES AND EQUITY	Note	Amount	%	Amount	%
CURRENT LIABILITIES					
2100 Short-term borrowings	6(14)	\$ 2,060,484	9	\$ 1,320,339	6
2110 Short-term notes and bills payable	6(15)	1,060,000	5	1,260,000	6
2150 Notes payable		524,871	2	921,500	5
2170 Accounts payable		899,474	4	1,104,467	5
2200 Other payables	6(16) and 7(2)	749,478	3	864,227	4
2230 Income tax payable		138,043	1	65,160	-
2280 Lease liabilities-current	6(10)	22,952	-	19,083	-
2320 Long-term liabilities due within one year or business cycle	6(17)	1,243,405	6	1,159,609	6
2399 Other current liabilities		64,952	-	18,993	-
21XX Total current liabilities		<u>6,763,659</u>	<u>30</u>	<u>6,733,378</u>	<u>32</u>
NON-CURRENT LIABILITIES					
2540 Long-term loans	6(17)	6,744,180	29	5,173,125	25
2570 Deferred income tax liabilities	6(30)	46,654	-	46,666	-
2580 Lease liabilities-noncurrent	6(10)	258,391	1	247,554	1
2600 Other non-current liabilities	6(17)(18)	137,767	1	158,768	1
25XX Total non-current liabilities		<u>7,186,992</u>	<u>31</u>	<u>5,626,113</u>	<u>27</u>
2XXX Total liabilities		<u>13,950,651</u>	<u>61</u>	<u>12,359,491</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital stock	6(20)				
3110 Common stock		2,795,175	12	2,795,175	13
Capital surplus	6(21)				
3200 Capital surplus		3,833,804	17	3,833,804	18
Retained earnings	6(22)				
3310 Appropriated as legal capital reserve		724,977	3	689,651	4
3320 Appropriated as special capital reserve		60,354	-	48,236	-
3350 Unappropriated earnings		1,530,514	7	1,316,593	6
Other equity	6(23)				
3400 Other equity		(95,158)	-	(60,354)	-
31XX Equity attributable to shareholders of the parent		<u>8,849,666</u>	<u>39</u>	<u>8,623,105</u>	<u>41</u>
36XX Non-controlling interests		<u>125,994</u>	<u>-</u>	<u>121,023</u>	<u>-</u>
3XXX Total equity		<u>8,975,660</u>	<u>39</u>	<u>8,744,128</u>	<u>41</u>
Unrecognized contractual commitments	9				
3X2X Total liabilities and equity		<u>\$ 22,926,311</u>	<u>100</u>	<u>\$ 21,103,619</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
2022 and 2021 January 1 to December 31

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

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6(24) and 7				
	(2)	\$ 7,339,165	100	\$ 6,686,364	100
5000 Cost of revenue	6(7) and 7(2)	(5,643,604)	(77)	(5,004,701)	(75)
5900 Gross profit		<u>1,695,561</u>	<u>23</u>	<u>1,681,663</u>	<u>25</u>
Operating expenses	6(29)				
6100 Sales and marketing expenses		(874,684)	(12)	(902,982)	(13)
6200 General and administrative expenses		(161,118)	(2)	(209,169)	(3)
6300 Research and development		(105,803)	(2)	(113,808)	(2)
6450 Expected credit losses	12(2)	(15,020)	-	(4,072)	-
6000 Total operating expenses		<u>(1,156,625)</u>	<u>(16)</u>	<u>(1,230,031)</u>	<u>(18)</u>
6900 Income from operations		<u>538,936</u>	<u>7</u>	<u>451,632</u>	<u>7</u>
Non-operating income and expenses					
7100 Interest income	6(25)	3,078	-	949	-
7010 Other income	6(26) and 7				
	(2)	77,355	1	101,135	1
7020 Other gains and losses	6(27)	266,880	4	(59,227)	(1)
7050 Finance costs	6(28)	(125,587)	(2)	(89,916)	(1)
7060 Share of associates and joint ventures income accounted for using equity method	6(8)	<u>7,836</u>	<u>-</u>	<u>(773)</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>229,562</u>	<u>3</u>	<u>(47,832)</u>	<u>(1)</u>
7900 Income before income tax		<u>768,498</u>	<u>10</u>	<u>403,800</u>	<u>6</u>
7950 Income tax expense	6(30)	(139,425)	(2)	(63,157)	(1)
8200 Net income		<u>\$ 629,073</u>	<u>8</u>	<u>\$ 340,643</u>	<u>5</u>

(continue in next page)

Hota Industrial Manufacturing Company Limited and Subsidiaries
Consolidated Statements of Comprehensive Income
2022 and 2021 January 1 to December 31

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

Item	Note	2022		2021	
		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(19)	\$ 15,289	-	\$ 5,784	-
8316 Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	6(3)	(7,451)	-	1,677	-
8320 Share of associates and joint ventures other comprehensive income accounted for using equity method - Items that will not be reclassified subsequently to profit or loss	6(8)(23)	(27,084)	-	(19,202)	-
8349 Income tax benefit (expense) related to items that will not be reclassified subsequently	6(30)	(2,923)	-	(1,147)	-
8310 Items that will not be reclassified subsequently to profit or loss		(22,169)	-	(12,888)	-
Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences arising on translation of foreign operations	6(23)	33,418	-	(8,129)	-
8367 Unrealized gains or losses on investments in debt instruments measured at fair value through other comprehensive income, net	6(23)	(31,814)	-	1,514	-
8370 Share of associates and joint ventures other comprehensive income accounted for using equity method - Items that may be reclassified subsequently to profit or loss	6(8)(23)	2,552	-	4,031	-
8399 Income tax benefit (expense) related to items that will be reclassified subsequently	6(30)	2,013	-	1,383	-
8360 Items that may be reclassified subsequently to profit or loss		6,169	-	(1,201)	-
8300 Other comprehensive income (loss), net		(\$ 16,000)	-	(\$ 14,089)	-
8500 Total comprehensive income		<u>\$ 613,073</u>	<u>8</u>	<u>\$ 326,554</u>	<u>5</u>
Net income attributable to:					
8610 Shareholders of the parent		\$ 623,958	8	\$ 341,823	5
8620 Non-controlling interests		5,115	-	(1,180)	-
Total		<u>\$ 629,073</u>	<u>8</u>	<u>\$ 340,643</u>	<u>5</u>
Total comprehensive income attributable to:					
8710 Shareholders of the parent		\$ 608,102	8	\$ 328,016	5
8720 Non-controlling interests		4,971	-	(1,462)	-
Total		<u>\$ 613,073</u>	<u>8</u>	<u>\$ 326,554</u>	<u>5</u>
Basic earnings per share					
9750 Total basic earnings per share	6(31)	<u>\$ 2.23</u>		<u>\$ 1.23</u>	
Diluted earnings per share					
9850 Total diluted earnings per share	6(31)	<u>\$ 2.23</u>		<u>\$ 1.23</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 Changes in Equity
2022 and 2021 January 1 to December 31

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent									
		Retained earnings					Other equity				
			Capital surplus, additional paid-in capital arising from common stock				Exchange differences arising on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income		Non-controlling interests	Total equity
Note		Common stock		Legal reserve	Special reserve	Unappropriated retained earnings			Total		
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
		-	-	-	-	341,823	-	-	341,823	(1,180)	340,643
Other comprehensive income (loss), net of income tax	6(23)	-	-	-	-	5,160	(2,715)	(16,252)	(13,807)	(282)	(14,089)
Total comprehensive income		-	-	-	-	346,983	(2,715)	(16,252)	328,016	(1,462)	326,554
Appropriations of earnings in 2020	6(22)										
Special 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 measured at fair value through other comprehensive income	6(23)	-	-	-	-	6,271	-	(6,271)	-	-	-
Non-controlling interests		-	-	-	-	-	-	-	-	68,000	68,000
Balance at 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
2022											
		\$ 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
Net income		-	-	-	-	623,958	-	-	623,958	5,115	629,073
Other comprehensive income (loss), net of income tax	6(23)	-	-	-	-	13,420	37,978	(67,254)	(15,856)	(144)	(16,000)
Total comprehensive income		-	-	-	-	637,378	37,978	(67,254)	608,102	4,971	613,073
Appropriations of earnings in 2021	6(22)										
Legal reserve		-	-	35,326	-	(35,326)	-	-	-	-	-
Special reserve		-	-	-	12,118	(12,118)	-	-	-	-	-
Common stock and cash dividends to shareholders		-	-	-	-	(381,541)	-	-	(381,541)	-	(381,541)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(23)	-	-	-	-	5,528	-	(5,528)	-	-	-
Balance at December 31, 2022		\$ 2,795,175	\$ 3,833,804	\$ 724,977	\$ 60,354	\$ 1,530,514	(\$ 7,158)	(\$ 88,000)	\$ 8,849,666	\$ 125,994	\$ 8,975,660

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
2022 and 2021 January 1 to December 31

(In Thousands of New Taiwan Dollars)

	NOTE	January 1 to December 31, 2022	January 1 to December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		\$ 768,498	\$ 403,800
Adjustments for:			
Provided by (used in) operating activities			
Depreciation-properties	6(9)(29)	623,837	559,415
Depreciation-right-of-use assets	6(10)(29)	17,926	15,592
Amortization	6(29)	5,328	6,373
Expected credit losses	12(2)	15,020	4,072
Net loss on financial assets and liabilities measured at fair value through profit or loss		10,939	-
Interest expenses	6(28)	121,373	85,708
Interest expenses-lease liabilities	6(28)	4,214	4,208
Interest income	6(25)	(3,078)	(949)
Share of associates losses (income) accounted for using equity method	6(8)	(7,836)	773
Gains on disposal of property, plant and equipment	6(27)	(6,823)	(5,630)
Unrealized exchange loss (profit)		(37,065)	37,465
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		49,917	(31,967)
Accounts receivable (including related-parties)		(348,686)	(414,847)
Other receivables		(74,611)	(9,002)
Inventories		(393,085)	(1,160,392)
Other current assets		11,257	(106,631)
Increase in other non-current assets		(40,621)	(15,617)
Changes in liabilities			
Notes payable		(396,629)	489,988
Accounts payable (including related-parties)		(211,638)	527,247
Other payables		(111,860)	306,051
Other current liabilities		39,915	(48,867)
Other non-current liabilities		(6,410)	1,230
Cash generated from operations		29,882	648,020
Income tax paid		(54,694)	(42,627)
Interest received		2,606	950
Interest paid		(128,699)	(90,406)
Net cash generated from (used in) operating activities		(150,905)	515,937

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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, 2022	January 1 to December 31, 2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of financial assets measured at fair value through other comprehensive income-current		\$ 29,077	\$ 1,636
Acquisition of financial assets measured at fair value through other comprehensive income-non-current		(4,519)	(7,121)
Decrease (Increase) in financial assets at amortized cost		(169,330)	54,839
Acquisition of financial assets measured at fair value through profit or loss		(21,501)	-
Acquisition of investments accounted for using equity method		(5,000)	(11,925)
Dividends received from investments accounted for using equity method		2,441	1,221
Acquisition of property, plant and equipment	6(32)	(1,394,627)	(1,582,254)
Proceeds from disposal of property, plant and equipment		8,015	197,125
Decrease (Increase) in refundable deposits		(1,178)	7,646
Increase in intangible assets		(6,177)	(5,791)
Net cash used in investing activities		(1,562,799)	(1,344,624)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (Decrease) in short-term borrowings	6(33)	732,184	(762,651)
Increase (Decrease) in short-term notes and bills payable	6(33)	(200,000)	660,000
Proceeds from long-term loans	6(33)	4,272,971	1,385,207
Repayment of long-term loans	6(33)	(2,641,889)	(2,238,866)
Repayment of the principal portion of lease liabilities	6(33)	(16,288)	(13,468)
Cash capital increase	6(20)	-	2,250,000
Cash dividends	6(22) (33)	(381,541)	(307,469)
Net cash generated from financing activities		1,765,437	972,753
EFFECT OF EXCHANGE RATE		72,809	8,177
NET INCREASE IN CASH AND CASH EQUIVALENTS		124,542	152,243
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		947,910	795,667
CASH AND CASH EQUIVALENTS, END OF YEAR		\$ 1,072,452	\$ 947,910

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

(112) Ministry of Finance approved No. 22004725

The Board of Directors and Shareholders
Hota Industrial Manufacturing Company Limited

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, 2022 and 2021, 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 "Other matters" section), the individual financial position of the Company as of December 31, 2022 and 2021, 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. 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

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, 2022. 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, 2022 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 recognized 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.

Valuation on allowance of inventory write-downs and obsolescence loss

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 loss allowance of inventory write-downs. The Company's total amount of inventories and loss allowance of inventory write-downs as of December 31, 2022 were NT\$3,055,903 thousand and NT\$100,702 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 loss allowance of inventory write-downs, 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 investments accounted for using the equity method as of December 31, 2022 and 2021 were NT\$125,922 thousand and 59,394 thousand, respectively, accounting for 0.59% and 0.30% of the total assets, respectively. From January 1 to December 31, 2022 and 2021, the comprehensive income recognized for using the equity method were NT\$1,244 thousand and NT\$2,843 thousand, respectively, accounting for 0.20% and 0.87% of comprehensive income, respectively.

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 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, we exercise professional judgment and 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, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.:

Financial-Supervisory-Securities-Auditing-1090350620

Financial-Supervisory-Securities-Auditing-1050035683

March 16, 2023

Hota Industrial Manufacturing Company Limited

Individual Balance Sheet

2022 and 2021 December 31

(In Thousands of New Taiwan Dollars)

	Assets	Note	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 993,490	4	\$ 776,622	4
1120	Financial assets measured at fair value through other comprehensive income-current	6(2)	41,808	-	78,221	1
1136	Financial assets at amortized cost-current	6(3) and 8	155,930	1	2,121	-
1150	Notes receivable, net	6(4)	-	-	25,442	-
1170	Accounts receivable, net	6(4)	2,919,013	14	2,472,606	13
1180	Accounts receivable-related parties, net	7(2)	55,538	-	37,761	-
1200	Other receivables	7(2)	173,888	1	67,702	-
130X	Inventories	6(6)	2,955,201	14	2,681,916	14
1470	Other current assets		163,811	1	224,690	1
11XX	Total current assets		<u>7,458,679</u>	<u>35</u>	<u>6,367,081</u>	<u>33</u>
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income-non-current	6(2)	60,111	-	54,313	-
1550	Investments accounted for using equity method	6(7)	935,875	5	913,788	5
1600	Property, plant and equipment	6(8) and 8	12,434,251	59	11,569,887	60
1755	Right-of-use assets	6(9)	251,211	1	250,524	1
1760	Investment property, net	6(11)	30,387	-	30,387	-
1780	Intangible assets		7,402	-	6,142	-
1840	Deferred income tax assets	6(30)	45,427	-	58,738	-
1900	Other non-current assets	6(12) and 7(2)	55,394	-	243,429	1
15XX	Total non-current assets		<u>13,820,058</u>	<u>65</u>	<u>13,127,208</u>	<u>67</u>
1XXX	Total assets		<u>\$ 21,278,737</u>	<u>100</u>	<u>\$ 19,494,289</u>	<u>100</u>

(continue in next page)

Hota Industrial Manufacturing Company Limited

Individual Balance Sheet

2022 and 2021 December 31

(In Thousands of New Taiwan Dollars)

			(In Thousands of New Taiwan Dollars)			
LIABILITIES AND EQUITY			Note	D e c e m b e r 3 1 , 2 0 2 2	D e c e m b e r 3 1 , 2 0 2 1	
			A m o u n t	%	A m o u n t	%
Current liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 1,747,359	8	\$ 947,263	5
2110	Short-term notes and bills payable	6(14)	1,060,000	5	1,260,000	7
2150	Notes payable		524,871	2	921,500	5
2170	Accounts payable	7(2)	819,121	4	958,995	5
2200	Other payables	6(15) and 7(2)	691,583	3	795,731	4
2230	Income tax payable	6(30)	137,139	1	65,160	-
2280	Lease liabilities-current		16,401	-	14,868	-
2320	Long-term liabilities due within one year or business cycle	6(16) and 8	604,845	3	860,341	4
2399	Other current liabilities		7,056	-	15,779	-
21XX	Total current liabilities		<u>5,608,375</u>	<u>26</u>	<u>5,839,637</u>	<u>30</u>
Non-current liabilities						
2540	Long-term loans	6(16) and 8	6,415,691	30	4,614,720	24
2570	Deferred income tax liabilities	6(30)	46,654	-	46,666	-
2580	Lease liabilities-non-current	6(9)	241,620	1	240,836	1
2600	Other non-current liabilities	6(18)	116,731	1	129,325	1
25XX	Total non-current liabilities		<u>6,820,696</u>	<u>32</u>	<u>5,031,547</u>	<u>26</u>
2XXX	Total liabilities		<u>12,429,071</u>	<u>58</u>	<u>10,871,184</u>	<u>56</u>
Equity						
	Capital stock	6(19)				
3110	Common stock		2,795,175	13	2,795,175	14
	Capital surplus	6(20)				
3200	Capital surplus		3,833,804	18	3,833,804	19
	Retained earnings	6(21)				
3310	Legal reserve		724,977	4	689,651	4
3320	Special reserve		60,354	-	48,236	-
3350	Unappropriated retained earnings		1,530,514	7	1,316,593	7
	Other equity	6(22)				
3400	Other equity		(95,158)	-	(60,354)	-
3XXX	Total equity		<u>8,849,666</u>	<u>42</u>	<u>8,623,105</u>	<u>44</u>
	Commitments and contingencies	9				
3X2X	Total liabilities and equity		\$ 21,278,737	100	\$ 19,494,289	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
2022 and 2021 January 1 to December 31

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

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6(23) and 7(2)	\$ 6,898,232	100	\$ 6,230,770	100
5000 Operating costs	6(6)(28)(29) and 7(2)	(5,313,060)	(77)	(4,628,884)	(75)
5900 Gross profit		1,585,172	23	1,601,886	25
5910 Unrealized loss (profit) of sales		(42)	-	3,220	-
5950 Net gross profit		1,585,130	23	1,605,106	25
Operating expenses	6(28)(29)				
6100 Sales and marketing expenses		(828,890)	(12)	(861,507)	(14)
6200 General and administrative expenses		(94,797)	(1)	(89,759)	(1)
6300 Research and development		(105,803)	(2)	(113,808)	(2)
6450 Expected credit loss	12(2)	(15,148)	-	(4,164)	-
6000 Total operating expenses		(1,044,638)	(15)	(1,069,238)	(17)
6900 Income from operations		540,492	8	535,868	8
Non-operating income and expenses					
7100 Interest income	6(24)	2,345	-	482	-
7010 Other income	6(25)	36,332	1	26,010	-
7020 Other gains and losses	6(26)	276,445	4	(77,381)	(1)
7050 Finance costs	6(27)	(109,622)	(2)	(75,806)	(1)
7070 Share of associates and joint ventures income accounted for using equity method	6(7)	17,090	-	(8,172)	-
7000 Total non-operating income and expenses		222,590	3	(134,867)	(2)
7900 Income before income tax		763,082	11	401,001	6
7950 Income tax expense	6(30)	(139,124)	(2)	(59,178)	(1)
8200 Net income		\$ 623,958	9	\$ 341,823	5

(continue in next page)

Hota Industrial Manufacturing Company Limited
Individual Statements of Comprehensive Income
2022 and 2021 January 1 to December 31

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

Item	Note	2022				2021			
		A	m	o	u	n	t	%	
Other comprehensive income (loss), net									
Items that will not be reclassified subsequently to profit or loss									
8311 Remeasurement of defined benefit obligation	6(18)	\$			14,992	-	\$		5,584
8316 Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income		(			529)	-	(		582)
8330 Share of subsidiaries, associates and joint ventures other comprehensive income accounted for using equity method - Items that will not be reclassified subsequently to profit or loss		(			33,485)	-	(		16,491)
8349 Income tax benefit (expense) related to items that will not be reclassified subsequently	6(30)	(			2,998)	-	(		1,117)
8310 Items that will not be reclassified subsequently to profit or loss		(			22,020)	-	(		12,606)
Items that may be reclassified subsequently to profit or loss									
8361 Exchange differences arising on translation of foreign operations					33,413	-	(		8,129)
8367 Unrealized gains or losses on investments in debt instruments measured at fair value through other comprehensive income, net		(			31,814)	-			1,514
8380 Share of subsidiaries, associates and joint ventures other comprehensive income accounted for using equity method - Items that may be reclassified subsequently to profit or loss					2,552	-			4,031
8399 Income tax benefit (expense) related to items that will be reclassified subsequently	6(30)				2,013	-			1,383
8360 Items that may be reclassified subsequently to profit or loss					6,164	-	(		1,201)
8300 Other comprehensive income (loss), net		(\$			15,856)	-	(\$		13,807)
8500 Total comprehensive income		\$			608,102	9	\$		328,016
9750 Total basic earnings per share	6(31)	\$				2.23	\$		1.23
9850 Total diluted earnings per share	6(31)	\$				2.23	\$		1.23

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
2022 and 2021 January 1 to December 31

(In Thousands of New Taiwan Dollars)

	Note	Retained earnings					Other equity		Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	
2021									
Balance at January 1, 2021		\$ 2,545,175	\$ 1,906,479	\$ 660,162	\$ 48,236	\$ 1,227,622	(\$ 42,421)	\$ 7,305	\$ 6,352,558
Net income		-	-	-	-	341,823	-	-	341,823
Other comprehensive income (loss), net of income tax	6(22)	-	-	-	-	5,160	(2,715)	(16,252)	(13,807)
Total comprehensive income		-	-	-	-	346,983	(2,715)	(16,252)	328,016
Appropriations of earnings in 2020	6(21)								
Legal reserve		-	-	29,489	-	(29,489)	-	-	-
Cash dividends		-	(72,675)	-	-	(234,794)	-	-	(307,469)
Cash capital increase	6(19)(20)	250,000	2,000,000	-	-	-	-	-	2,250,000
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(22)	-	-	-	-	6,271	-	(6,271)	-
Balance at December 31, 2021		\$ 2,795,175	\$ 3,833,804	\$ 689,651	\$ 48,236	\$ 1,316,593	(\$ 45,136)	(\$ 15,218)	\$ 8,623,105
2022									
Balance at January 1, 2022		\$ 2,795,175	\$ 3,833,804	\$ 689,651	\$ 48,236	\$ 1,316,593	(\$ 45,136)	(\$ 15,218)	\$ 8,623,105
Net income		-	-	-	-	623,958	-	-	623,958
Other comprehensive income (loss), net of income tax	6(22)	-	-	-	-	13,420	37,978	(67,254)	(15,856)
Total comprehensive income		-	-	-	-	637,378	37,978	(67,254)	608,102
Appropriations of earnings in 2021	6(21)								
Legal reserve		-	-	35,326	-	(35,326)	-	-	-
Special reserve		-	-	-	12,118	(12,118)	-	-	-
Cash dividends		-	-	-	-	(381,541)	-	-	(381,541)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(22)	-	-	-	-	5,528	-	(5,528)	-
Balance at December 31, 2022		\$ 2,795,175	\$ 3,833,804	\$ 724,977	\$ 60,354	\$ 1,530,514	(\$ 7,158)	(\$ 88,000)	\$ 8,849,666

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
2022 and 2021 January 1 to December 31

(In Thousands of New Taiwan Dollars)

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		\$ 763,082	\$ 401,001
Adjustments for:			
Provided by (used in) operating activities			
Depreciation	6(8)(28)	598,236	526,139
Depreciation-Right-of-use assets	6(9)(28)	11,989	10,391
Amortization	6(28)	4,851	5,971
Interest expenses	6(27)	105,616	71,809
Interest expenses-Lease liabilities	6(9)(27)	4,006	3,997
Interest income	6(24)	(2,345)	(482)
Expected credit loss	12(2)	15,148	4,164
Share of subsidiaries, associates and joint ventures losses accounted for using equity method	6(7)	(17,090)	8,172
Gains on disposal of property, plant and equipment	6(26)	(7,954)	(5,010)
Unrealized sales loss (profit)		42	(3,220)
Unrealized exchange loss (profit)		(67,654)	36,514
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		25,442	(15,600)
Accounts receivable		(493,369)	(418,823)
Accounts receivable-related-parties		(17,777)	(19,096)
Other receivables		(105,713)	(26,925)
Inventories		(273,285)	(1,005,878)
Other current assets		60,879	(94,957)
Other non-current assets		-	1
Changes in liabilities			
Notes payable (including related-parties)		(396,629)	496,499
Accounts payable (including related-parties)		(139,874)	520,825
Other payables		(145,137)	282,403
Other current liabilities		(8,723)	(53,542)
Other non-current liabilities		3,585	(1,123)
Cash generated from (used in) operations		(82,674)	723,230
Interest received		1,872	483
Interest paid		(108,535)	(72,493)
Income tax paid		(54,833)	(42,488)
Net cash generated from (used in) operating activities		(244,170)	608,732

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

(In Thousands of New Taiwan Dollars)

Note	January 1 to December 31, 2022	January 1 to December 31, 2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets measured at fair value through other comprehensive income-current	\$ -	(\$ 1,293)
Disposal of financial assets measured at fair value through other comprehensive income-current	34,605	3,907
Decrease (Increase) in financial assets at amortized cost	(153,809)	55,233
Acquisition of financial assets measured at fair value through other comprehensive income-non-current	(4,519)	(5,401)
Acquisition of investments accounted for using equity method	(5,000)	(79,925)
Dividends received from investments accounted for using equity method	2,441	1,221
Acquisition of property, plant and equipment 6(32)	(1,234,042)	(1,312,904)
Disposal of property, plant and equipment	8,332	43,481
Acquisition of intangible assets	(6,111)	(4,839)
Decrease (Increase) in refundable deposits	(999)	4,959
Net cash used in investing activities	(1,359,102)	(1,295,561)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in short-term borrowings 6(33)	794,943	(898,390)
Increase (Decrease) in short-term notes and bills payable 6(33)	(200,000)	660,000
Repayment of long-term loans 6(33)	(1,967,998)	(6,286,414)
Proceeds from long-term loans 6(33)	3,512,287	5,423,302
Repayment of the principal portion of lease liabilities 6(33)	(10,360)	(12,169)
Cash dividends 6(21)	(381,541)	(307,469)
Cash capital increase 6(19)	-	2,250,000
Net cash generated from financing activities	1,747,331	828,860
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	72,809	(52,970)
NET INCREASE IN CASH AND CASH EQUIVALENTS	216,868	89,061
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	776,622	687,561
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 993,490</u>	<u>\$ 776,622</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 2022

Unit: New Taiwan Dollar

Item	Amount	Remark
Unappropriated retained earnings at beginning of period	887,608,050	
Remeasurement of Defined benefit plans	13,419,895	
Sale of Equity Instrument at fair value through other comprehensive income.	5,527,871	
Net Profit of year 2021	623,958,494	
Unappropriated retained earnings, Total	1,530,514,310	
Legal Reserve (10%)	(64,290,626)	
Special Reserve	(34,804,596)	
Total retained earnings	1,431,419,088	
Current Distribution Items		
Cash Dividend (NTD 1.6 per share)	(447,228,021)	
Stock Dividend (NTD 0.0 per share)	—	
Current Distribution	(447,228,021)	
Unappropriated retained earnings at end of period	984,191,067	
<p>1. The Company's earnings distribution policy adopts the priority to allocate the earnings of the year 2022, 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.

Article No.	Revised Article	Current Article	Description
Article 8-1:	The Company’s shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. Under the circumstances of calamities, incidents, or force majeure, the central competent authority may promulgate a ruling that authorizes a company, which has no above provision in its Articles of Incorporation, within a certain period of time can hold its shareholders’ meeting by means of visual communication network or other promulgated methods.		Article added in accordance with Article 172-2 of the Company Act.
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 retained earnings, and the dividend paid in cash should not be less than 20% of the total amount of shareholders’ dividends.	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.	To meet future operational needs.
Article 30:	This Article of Incorporation was set up on October 17, 1972. The first amendment was on November 20, 1972; ... (the following amendments are omitted); the 42nd amendment was made on June 12, 2018; the 43rd amendment was made on June 10, 2020; the 44th amendment was made on June 13, 2023.	This Article of Incorporation was set up on October 17, 1972. The first amendment was on November 20, 1972; ... (the following amendments dates are omitted); the 42nd amendment was made on June 12, 2018; the 43rd amendment was made on June 10, 2020.	New amendment date was added.

Appendix 4 : Comparison table of the “Procedures for Shareholders’ Meetings” Before and After version.

Revised Article	Current Article	Description
<p>2. Paragraph omitted.</p> <p>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>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) 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. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular 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.</p> <p>The Company shall make the meeting</p>	<p>2. Paragraph omitted.</p> <p>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.</p>	<p>Amendments on Article text.</p>

Revised Article	Current Article	Description
<p>agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</p> <ol style="list-style-type: none"> 1. For physical shareholders meetings, to be distributed on-site at the meeting. 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform. <p>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. (The following paragraphs omitted.)</p>	<p>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. (The following paragraphs omitted.)</p>	
<p>3. Paragraph omitted. Paragraph omitted. Paragraph omitted. If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company 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.</p>	<p>3. Paragraph omitted. Paragraph omitted. Paragraph omitted.</p>	Article paragraphs added.
<p>4. Paragraph omitted. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</p>	<p>4. Paragraph omitted.</p>	Article paragraphs added.
<p>5. The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations for shareholders, solicitors and proxies (collectively “shareholders”) 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</p>	<p>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</p>	Amendments on Article text.

Revised Article	Current Article	Description
<p>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. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</p> <p>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.</p> <p>Paragraph omitted.</p> <p>Paragraph omitted.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</p> <p>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p>	<p>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.</p> <p>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.</p> <p>Paragraph omitted.</p> <p>Paragraph omitted.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.</p>	
<p>5-1.</p> <p>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</p> <p>1. How shareholders attend the virtual meeting and exercise their rights.</p>		New added.

Revised Article	Current Article	Description
<p>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</p> <p>(1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</p> <p>(2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</p> <p>(3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p>		
<p>7. Paragraph omitted. Paragraph omitted. Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast</p>	<p>7. Paragraph omitted. Paragraph omitted.</p>	<p>Article paragraphs added.</p>

Revised Article	Current Article	Description
<p>and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</p> <p>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</p> <p>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</p>		
<p>8.</p> <p>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, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>Paragraph omitted.</p> <p>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. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</p> <p>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</p>	<p>8.</p> <p>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.</p> <p>Paragraph omitted.</p> <p>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.</p> <p>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</p>	<p>Amendments on Article text.</p>

Revised Article	Current Article	Description
<p>the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</p> <p>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.</p>	<p>the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p> <p>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.</p>	
<p>10. Paragraph omitted. Paragraph omitted.</p> <p>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.</p> <p>Paragraph omitted.</p> <p>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.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</p> <p>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual</p>	<p>10. Paragraph omitted. Paragraph omitted.</p> <p>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.</p> <p>Paragraph omitted.</p> <p>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.</p> <p>13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>Amendments on Article text.</p>

Revised Article	Current Article	Description
meeting platform.		
11. (Text omitted)	14. (Text omitted)	Article number adjusted.
<p>12. Paragraph omitted. Paragraph omitted. Paragraph omitted. 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 or online, 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. Paragraph omitted. Paragraph omitted. Paragraph omitted. Paragraph omitted. When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical</p>	<p>15. Paragraph omitted. Paragraph omitted. Paragraph omitted. 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. Paragraph omitted. Paragraph omitted. Paragraph omitted. Paragraph omitted.</p>	Article paragraphs added and Article number adjusted.

Revised Article	Current Article	Description
<p>shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</p> <p>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</p>		
<p>13. The election of directors 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 the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.</p> <p>Paragraph omitted.</p>	<p>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.</p> <p>Paragraph omitted.</p>	Article text deleted and Article number adjusted.
<p>14. Paragraph omitted. Paragraph omitted. 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. The minutes shall be retained for the duration of the existence of this Corporation.</p> <p>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting</p>	<p>18. Paragraph omitted. Paragraph omitted. 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.</p>	Article number adjusted.

Revised Article	Current Article	Description
<p>is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</p> <p>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</p>		
<p>15. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</p> <p>Paragraph omitted.</p>	<p>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' meeting on the date of the shareholders' meeting.</p> <p>Paragraph omitted.</p>	<p>Amendments on Article text and Article number adjusted.</p>
<p>16. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.</p> <p>The chair may direct the proctors or security personnel to help maintain order at the meeting place. When</p>	<p>19. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When</p>	<p>Amendments on Article text and Article number adjusted.</p>

Revised Article	Current Article	Description
proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." Paragraph omitted. Paragraph omitted.	proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." Paragraph omitted. Paragraph omitted.	
17. (Text omitted)	16. (Text omitted)	Article number adjusted.
18. In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.		New added.
19. When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.		New added.
20. In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article		New added.

Revised Article	Current Article	Description
<p>182 of the Company Act shall not apply.</p> <p>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</p> <p>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</p> <p>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</p> <p>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</p> <p>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining</p>		

Revised Article	Current Article	Description
<p>from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p> <p>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</p>		
<p>21.</p> <p>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p>		New added.
<p>22.</p> <p>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.</p>	<p>21.</p> <p>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.</p>	Article number adjusted.
<p>23.</p> <p>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.</p>	<p>22.</p> <p>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.</p>	Article text deleted and Article number adjusted.

Appendix 5 : The list of candidates

The list of candidates for directors

serial number	Name	Education ackground	Experience	Present job	Shareholding / Shareholding Ratio	Corporate Shareholder Name
1	Sheng, Kuo-Jung	Honorary Doctorate in Management, Chaoyang University of Technology	Chairman, Hota Industrial Mfg. Co., Ltd. Chairman, Kao Fong Machinery Co., Ltd. Chairman, Hwa Fong Rubber Ind. Co., Ltd.	Chairman, Hota Industrial Mfg. Co., Ltd. Chairman, Hwa Fong Rubber Ind. Co., Ltd. Director, Kao Fong Machinery Co., Ltd.	3,824,170 1.37%	-
2	Lin, Yen-Huey	Pacific Western University	General Manager, Hota Industrial Mfg. Co., Ltd. Director, Hota Industrial Mfg. Co., Ltd.	Director, Hota Industrial Mfg. Co., Ltd. Vice Chairman, Hota Industrial Mfg. Co., Ltd. Chairman, Kao Fong Machinery Co., Ltd.	3,802,174 1.36%	-
3	Lin, Mei-Yu	Junior High School	Director, Hota Industrial Mfg. Co., Ltd.	Director, Hota Industrial Mfg. Co., Ltd.	3,266,000 1.17%	-
4	Huang, Feng-Yih	Tainan Vocational High School	Director, Hota Industrial Mfg. Co., Ltd. Director, Ying-Hui Machine Co., Ltd.	Director, Hota Industrial Mfg. Co., Ltd. Director, Ying-Hui Machine Co., Ltd. Director, Kao Fong Machinery Co., Ltd.	1,968,000 0.70%	-
5	Chang, Yu-Jeng	Ph.D. Physics, University of Texas at Austin (US)	Director, Hota Industrial Mfg. Co., Ltd. Chairman, Central Motor Co., Ltd.	Director, Hota Industrial Mfg. Co., Ltd. Chairman, Chin Fong Machine Industrial Co., Ltd. Chairman, Central Motor Co., Ltd.	11,985,241 4.29%	Zhong-Bu Investment Co., Ltd.

				Director, Kao Fong Machinery Co., Ltd.		
6	Lin, Yue-Hong	Soochow University	Vice Chairman, Central Motor Co., Ltd. Director, Chin Fong Machine Industrial Co., Ltd.	Vice Chairman, Central Motor Co., Ltd. Director, Chin Fong Machine Industrial Co., Ltd.	11,985,241 4.29%	Zhong-Bu Investment Co., Ltd.
7	Sheng, Chien-Chih	Master, Drucker Academy (US)	Director, Hota Industrial Mfg. Co., Ltd. Manager, Dong An Investment Co., Ltd.	Director, Hota Industrial Mfg. Co., Ltd. Director, Kao Fong Machinery Co., Ltd. Independent Director, Tan De Tech Co., Ltd.	7,066,239 2.53%	Kao Fong Machinery Co., Ltd.
8	Sun, Yong-Lu	Master of Management and Development, Feng Chia University	Director, Hota Industrial Mfg. Co., Ltd. Manager of Corporate Management, Da-Tun Cable Television Co., Ltd.	Director, Hota Industrial Mfg. Co., Ltd. Supervisor, Dali Farmers' Association, Taichung City	86,347 0.03%	Hao-Qing Investment
9	Wang, Hui-O	Junior High School	Director, Hota Industrial Mfg. Co., Ltd. Responsible Person, Ho-Hsin Industrial Corporation	Director, Hota Industrial Mfg. Co., Ltd.	791,272 0.28%	-

The list of candidates for independent directors

serial number	Name	Education background	Experience	Present job	Shareholding / Shareholding Ratio	Corporate Shareholder Name
1	Chueh, Ming-Fu	Doctor of Laws, National Chengchi University	Judge, Taiwan High Court of Justice Judge, Taipei High Court of Justice Vice Chief, Discipline, Executive Yuan Presiding Judge, Taipei High Administrative Court Judge, Supreme Administrative Court	Attorney at Law	-	-
2	Cheng, Wen-Zheng	Master of Management and Development, Feng Chia University	Vice President, E-Sun Bank	Independent Director, SDI CORPORATION	-	-
3	Liu, Zheng-Huai	Doctor of Business Administration, National Taipei University	National Taichung University of Science and Technology, Director of Office of General Services, Director of Department of International Business, Director of Department of Accounting Information, Development Committee Convener of Group of Business Management, Professor of Department of Accounting Information	Independent Director, Engley Holding (Samoa) Ltd. Independent Director, best precision industrial Co., Ltd.	-	-
4	Zhuang, Bo-Nian	National Changhua University of Education, PhD of Department of Industrial Education and Technology (Master Program)	Consultant and Researcher of Board of Science and Technology, Executive Yuan and Director of Science and Technology Division Industrial Technology Research Institute ("ITRI"), Deputy Director of National Measurement Laboratory R.O.C., Manager and Vice CEO of ITRI Southern Region Campus	Independent Director, APEX DYNAMICS, INC.	-	-

Appendix 6 : Director Candidates lifting restrictions list of non-compete prohibition

Name	Concurrent company / Position
Sheng, Kuo-Jung	Kao Fong Machinery Co., Ltd./ Honorary Chairman 、 Director Kao Fong (Whaian) Machinery Co., Ltd./ Director Howon (Whaian) Automobile Components Company Limited / Director Howin Precision Company Limited / Director Hwa Fong Rubber Ind. Co., Ltd./ Chairman
Lin, Yen-Hueyc	Kao Fong Machinery Co., Ltd./ Chairman Kao Fong (Whaian) Machinery Co., Ltd./ Chairman Howon (Whaian) Automobile Components Company Limited / Chairman Howin Precision Company Limited / Supervisor World Known MFG (Cayman) Ltd. / Director
Chang, Yu-Jeng	Central Motor Co., Ltd. / Chairman Zhong Yang Technology Co., Ltd./ Chairman Calin Technology/ Director Kao Fong Machinery Co., Ltd. / Director Chin Fong Machine Industrial Co., Ltd. / Chairman
Lin, Yue-Hong	Central Motor Co., Ltd. / Vice Chairman Chin Fong Machine Industrial Co., Ltd. / Director
Huang, Feng-Yih	Ying-Hui Machine Co., Ltd / Director Kao Fong Machinery Co., Ltd. / Director
Sheng, Chien-Chih	Kao Fong Machinery Co., Ltd. / Director World Known MFG (Cayman) Ltd. / Director Orange Electronic Co., Ltd./ Independent Director Tan De Tech Co., Ltd./ Independent Director
Sun, Yong-Lu	Supervisor, Dali Farmers' Association, Taichung City

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 192-1 of the Company Act. The shareholders shall elect the directors from among the nominees listed in the roster 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.

Hota Industrial Manufacturing Company Limited

Procedures for Election of Directors

- Article 1 Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2 The uni-nominal cumulative election method shall be used for election of the directors at the Company's shareholders meeting. The ballots will be produced by the Company, and should be numbered with the number of voting right indicated.
- Article 3 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected. Independent directors and non-independent directors shall be nominated separately into two groups of candidates, and shareholders will elect them from the nominees list.
- Article 4 The Company's election of independent and non-independent directors shall be held at the same time, and the number of elected persons is separately calculated. Election of the directors at the Company, unless otherwise provided by the Company's Articles of Incorporation, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. A shareholder of the Company shall be entitled to one vote for each share held. If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it on his/her behalf with the rights written in the proxy form printed by the Company. The representative shall follow regulations prescribed in the Company's Articles of Incorporation and "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority. With the exception of a trust enterprise, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy exceed three percent of the voting rights represented by the total number of issued shares, that in excess of that percentage shall not be included in the calculation. The aforementioned proxy form shall be delivered to the Company 5 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.
- Article 5 Directors of the Company will be elected from among the persons with disposing capacity. The number of directors will be as set out in the Company's Articles of Incorporation, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance. Those who are so elected as provided in the preceding paragraph shall decide on their own to act as directors before the conclusion of the shareholders' meeting. If the elected director

applied for an alteration registration to file a statement of waiving his/her position with the competent authority, or the elected director is found to be inconsistent with the personal information or fails to meet the requirements set forth by relevant laws and regulations, the vacancy will be filled by the electee who is the second majority in the original election.

Article 6 The board of directors shall prepare separate ballots with attendance card numbers printed for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending ordinary shareholders at the shareholders meeting.

Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

For ordinary shareholders who exercise their voting rights by electronic means, no separate ballots will be prepared.

Article 7 The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 8 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

Article 9 The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a juristic-person shareholder, the name of the juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Company.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered but not corrected in accordance with the law.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. A ballot written with candidates exceeds the prescribed quota.
6. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
7. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
8. The writing is failed to fill in in accordance with the remark column prescribed on the ballot.
9. A ballot was not put in the ballot box.
10. Any writing filled in candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted has been altered.
11. The candidate of independent or non-independent director whose name is entered in the ballot does not in the candidate list.

- Article 12 After voting for the election of directors, the vote monitoring personnel and ballot announcers will jointly open the ballot box.
- Article 13 The voting rights shall be calculated by ballot announcers and counting personnel, and the results of the calculation will be monitored by the vote monitoring personnel and announced by the chair on the site.
- Article 14 The board of directors shall issue notifications to the persons elected as directors.
- Article 15 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 10 : 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 15, 2023

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	3,824,170	1.37
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	3,266,000	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	965,000	0.35
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	31,550,017

Remarks:

1. The Company has issued 279,517,513 shares as of the book closure date on April 15, 2023.
2. According to the provisions of Article 26 of the Securities and Exchange Act and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", all directors of the Company shall hold a minimum of 11,180,701 shares.