



Regular Shareholders' Meeting Of the Year 2024

Meeting Manuel

Date of Shareholders' Meeting: June 13, 2024

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I. Meeting Agenda

Hota Industrial Mfg. Co., Ltd.

Meeting Agenda of Regular Shareholders' Meeting of Year 2024

Convening method : physical shareholders meeting.

Time: AM 9:30, June 13, 2024.

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 2023
 - (2) Review Report for the Financial final accounts of the Year 2023 by the Audit Committee
 - (3) Report on Remuneration Distribution for Employees and Directors of the Year 2023
 - (4) Report on fund loan and endorsement guarantee.
 - (5) Report on remuneration of individual directors in 2023.
4. Matters for Ratification
 - (1) Ratification for the Financial final accounts of the Year 2023.
 - (2) Ratification for the Remuneration Distribution for Employees and Directors of the Year 2023.
5. Matters for Discussion I
 - (1) Amendment of certain clauses of the "Articles of association"
6. Extempore motion
7. Adjournment

II. Report Items

A. Operation Report of the Year 2023

a. Execution Results of the Business Plan:

Unit: New Taiwan Dollar, thousand

Item	Year 2023		Year 2022	
	Amount	%	Amount	%
Operation Revenue	6,599,230	100	7,339,165	100
Operation Costs	(5,458,129)	(83)	(5,643,604)	(77)
Operation Margin	1,141,101	17	1,695,561	23
Operation Expenses	(725,510)	(11)	(1,156,625)	(16)
Operation Net Profit	415,591	6	538,936	7
Non-operating income and expenses	(52,991)	(1)	229,562	3
Net profit before tax	362,600	5	768,498	10
Income Tax Expense	(37,937)	(1)	(139,425)	(2)
Net Income after tax	324,663	4	629,073	8
Net income attributable to stockholders of the parent company	327,211	—	623,958	—
Net income attributable to non-controlling interests	(2,548)	—	5,115	—

b. Analysis of Profitability:

Item		Year 2023	Year 2022
Return on Assets (%)		2.10	3.31
Return on Equity of Shareholders (%)		3.64	7.10
Ratio to Paid-in Capital (%)	Operation Net Profit	14.87	19.28
	Net Income after tax	12.97	27.49
Net Profit Ratio (%)		4.92	8.57
Earnings per share(Not been retrospective adjusted)		1.17	2.23

c. Status of Research and Development:

1. The development results of Research & Development department are as follows:

- (1) Electric vehicle gearbox components.
- (2) Hybrid transmission components.
- (3) Heavy-duty electric truck reduction gearbox components.
- (4) Pump drive components.
- (5) Precision mechanical reducer.
- (6) Aerospace parts.
- (7) Reductive drive gear sets, electronic control, and integration for pedal electric cycle.
- (8) Gear hobbing machine, gear scraping machine, chamfering machine, gear meshing machine, compressor, various types of automation equipment, and system integration.
- (9) Differential assembly.
- (10) Planetary gear set of transmission.

(11) Heavy locomotive gearbox and transmission components.

(12) Gearbox parts for large agricultural machinery.

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.

This year's R&D focus is on continuing the past R&D achievements, developing various vehicle transmission systems, and precision gears and transmission shafts required for electric vehicle gearboxes.

d. Business Plan outline of the Year 2024:

1. Management Guideline:

(1) Improve quality system and strengthen quality management:

Major automobile manufacturers are constantly improving in terms of precision and quality requirements. Therefore, in the Quality system and management, the Company not only reinforces the training of quality control personnel but also 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 continuously investing in frontline manufacturing and improved the equipment for production and inspection but also reinforced the development 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 pursue more long-term cooperation opportunities with foreign automobile component manufacturers, automotive manufacturers, and potential new electric vehicle ventures. The Company seeks strategic

alliances and technical cooperation opportunities with automotive manufacturers and emerging electric vehicle ventures through excellent quality and professional R&D technology.

(4) Promote Productivity 4.0:

The new Dapumei factory in Chiayi County first promotes the smart manufacturing production model. In addition to purchasing automated machines and advanced inspection equipment, the successful implementation of 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) The Company is strengthening its R&D capabilities and providing customers with collaborative design services. The Company is implementing IATF16949, promoting smart manufacturing, MES, and BI management reports. At the same time, the Company reinforces mechanisms for rapid response such as Lean Production (TPS, Toyota Production System) and Quality System Basics (QSB). The Company emphasize close communication with customers to enhance customer satisfaction.
- (2) Implement corporate social responsibility, demonstrate the spirit of corporate ESG 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 and Net Zero carbon emission initiatives, energy conservation and carbon reduction issues, and strengthen the implementation of ISO 14064 greenhouse gas inventory review, ISO 14067 carbon footprint certification.
- (3) Actively pursue opportunities with major global automotive manufacturers in the development of electric vehicles and smart driving technology. With abundant experience and technology, actively develop partnerships with European and American automotive customers. Also, design and develop collaboratively with them to expand the market of reducer components for electric vehicles.
- (4) Facing global market competition, the Company continuously optimizes processes, improves quality, and reduces costs to enhance the Company's competitiveness, and then strives existing customers' orders from different regions in the world to expand the global market.

3. Future development strategy:

- (1) With global demand for electric and fuel vehicles exceeding 80 million units annually, the Company continues to actively expand into European, American, and Emerging markets. In response to energy conservation and carbon reduction issues, smart vehicles and electric vehicles will be 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) 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 policies on achieving net-zero carbon emissions by 2050, greenhouse gas inventories, and issues related to extreme climate change, automobile manufacturers worldwide are actively investing in the green energy vehicle market. They aim to produce green energy vehicles that are not only more affordable but also of 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) post-pandemic era, along with the impact of geopolitical tensions such as the Russia-Ukraine conflict, Middle East crises, and reductions in canal transportation, there have been significant effects on the global economy, raw materials, shipping, and currency inflation. The Company remains vigilant in closely monitoring rapid changes in customer and market dynamics. 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
LI, YUAN-JI

Review Report for the Financial Statements of the Year 2023 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 2023. Ernst & Young 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 2023 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: ZHUANG, BO-NIAN

March 14, 2024

B. Report on Remuneration Distribution for Employees and Directors of the Year 2023.

- 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 14, 2024, the employee remuneration and director's remuneration in 2023 are as follows:
 - (1) 2.18% as the remuneration to employees, namely NT\$8,100,000.
 - (2) 0.79% as the remuneration to directors, namely NT\$2,946,925.
- c. All the above will be paid in cash

C. Report on fund loan and endorsement guarantee.

- a. As of December 31, 2023, 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	1,763,261	307,050	249,325	249,325	3,526,522
Hota Industrial Manufacturing Company Limited	Howon(Whaia) Automobile Components Company Limited	1,763,261	239,499	239,499	239,499	3,526,522
Hota Industrial Manufacturing Company Limited	Howon(Whaia) Automobile Components Company Limited	1,763,261	92,115	92,115	92,115	3,526,522
Hota Industrial Manufacturing Company Limited	Howon(Whaia) Automobile Components Company Limited	1,763,261	237,985	237,985	237,985	3,526,522
Hota Industrial Manufacturing Company Limited	Hefu Construction Co., Ltd.	1,763,261	156,000	156,000	148,000	3,526,522

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, 2023, 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 FORGING CO., LTD.	Purchase of equipment	12,000	9,600	7,200	1,763,261	3,526,522
Hota Industrial Manufacturing Company Limited	CHIEN LI INDUSTRIAL CO., LTD.	Purchase of equipment	6,000	6,000	6,000	1,763,261	3,526,522

Hota Industrial Manufacturing Company Limited	Howon(Whaian) Automobile Components Company Limited	Purchase of equipment	122,820	0	0	1,763,261	3,526,522
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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.

D. Report on remuneration of individual directors in 2023.

Explanation:

The remunerations received by the directors of the Company, including the remuneration policy, the content and amount of individual remunerations, and the relationship with performance evaluation, are described as follows:

- a. The salary and remuneration of the independent directors and directors of the Company shall be handled in accordance with the “Regulations on Salary and Remuneration of Directors”, except that in accordance with Article 27 of the Company's Articles of Incorporation, the remuneration of directors shall not exceed 5% of the profit of the Company
 - (1) The salary of independent directors is paid on a monthly basis, regardless of profit or loss, and the independent directors do not participate in the remuneration distribution of directors.
 - (2) The remuneration of individual directors is distributed by the remuneration committee according to the degree of participation and contribution of the directors to the company's operating activities, the case will be submitted to the Board for discussion and approval before distribution.
- b. For details of the remuneration of individual directors in 2023, Please refer to Appendix 1 on page 11 to page 11 of this manual.

III. Matters for Ratification

A. Proceedings: Ratification for the financial final accounts of the Year 2023. (Proposed by the board of directors)

Explanation: The Company's consolidated financial statements, individual financial statements, and business reports of the Year 2023 have been prepared, approved by the Company's board of directors, and completely verified by accountants Huang ZiPing and Huang YuTing of Ernst & Young Taiwan, reviewed by the Audit Committee, and submitted for ratification. Please refer to Appendix 2 on page 12 to page 31 of this manual.

Resolution:

B. Proceedings: Ratification of the earning distribution of the Year 2023. (Proposed by the board of directors)

Explanation:

- a. The net profit after tax of the Company's business final accounts of the Year 2023 is NT\$327,210,819, 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.

- b. The earning distribution proposal is based on the allocation of NT\$279,517,513 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\$1.0 per common share, rounded down below one NT dollar; the total of the abnormal amount is included in the Company's other income.
- c. 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.
- d. 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.
- e. The distribution table for the year 2023. Please refer to Appendix 3 on page 32 of this manual.

Resolution:

IV. Matters for Discussion

- 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 4 page 33 to page 35 of this manual.

Resolution:

V. Extempore motion

VI. Adjournment

VII. Appendix

Appendix 1 : Details of Remuneration of Individual Directors for 2023.

Role	Name	Directors' Remuneration								Sum of A+B+C+D and ratio to net income (Note 10)		Relevant Remuneration Claimed by Concurrent Employees								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration Claimed from Re-Invested Business of Subsidiary or Parent Company (Note 11)
		Compensation (A) (Note 2)		Pension (B)		Directors' Compensation (C) (Note 3)		Fees for Professional Practice (D) (Note 4)				Salary, Bonus and Special Allowance, etc.(E) (Note5)		Pension(F)		Employees' Compensation(G) (Note6)						
		The Comp any	All Comp anies includ ed in Financ ial Report (Note7)	The Comp any	All Comp anies includ ed in Financ ial Report (Note7)	The Comp any	All Comp anies includ ed in Financ ial Report (Note7)	The Comp any	All Comp anies includ ed in Financ ial Report (Note7)	The Company	All Compani es includ ed in Financial Report (Note7)	The Comp any	All Compani es includ ed in Financial Report (Note7)	The Company	All Comp anies includ ed in Financ ial Report (Note7)	The Company		All Companies included in Financial Report (Note7)		The Company	All Compani es includ ed in Financial Report (Note7)	
																Cash Amou nt	Stock Amou nt	Cash Amou nt	Stock Amou nt			
Director	Sheng, Kuo-Jung	0	0	0	0	515	599	120	126	635 (0.19)	725 (0.22)	8,671	11,169	454	454	700	—	760	0	10,460 (3.20)	13,108 (4.01)	None
Director	Lin, Yen-Huey	0	0	0	0	515	557	120	126	635 (0.19)	683 (0.21)	7,171	8,853	373	373	550	—	590	0	8,729 (2.67)	10,499 (3.21)	None
Director	Lin, Mei-Yu	0	0	0	0	257	257	120	120	377 (0.12)	377 (0.12)	0	0	0	0	0	0	0	0	377 (0.12)	377 (0.12)	None
Director	Huang, Feng-Yih	0	0	0	0	257	257	120	120	377 (0.12)	377 (0.12)	0	0	0	0	0	0	0	0	377 (0.12)	377 (0.12)	None
Director	Wang, Hui-O	0	0	0	0	257	257	120	120	377 (0.12)	377 (0.12)	0	0	0	0	0	0	0	0	377 (0.12)	377 (0.12)	None
Director	Tsai, Yu-Kung	0	0	0	0	116	116	70	70	186 (0.06)	186 (0.06)	0	0	0	0	0	0	0	0	186 (0.06)	186 (0.06)	None
Director	Hao-Qing Investment	0	0	0	0	257	257	0	0	257 (0.08)	257 (0.08)	0	0	0	0	0	0	0	0	257 (0.08)	257 (0.08)	None
	Representative: Sun, Yong-Lu	0	0	0	0	0	0	120	120	120 (0.04)	120 (0.04)	0	0	0	0	0	0	0	0	120 (0.04)	120 (0.04)	None
Director	Central Investment	0	0	0	0	515	515	0	0	515 (0.16)	515 (0.16)	0	0	0	0	0	0	0	0	515 (0.16)	515 (0.16)	None
	Representative: Chang, Yu-Jeng	0	0	0	0	0	0	120	120	120 (0.04)	120 (0.04)	0	0	0	0	0	0	0	0	120 (0.04)	120 (0.04)	None
	Representative: Lin, Yue-Hong	0	0	0	0	0	0	120	120	120 (0.04)	120 (0.04)	0	0	0	0	0	0	0	0	120 (0.04)	120 (0.04)	None
Director	Kao Fong Machinery	0	0	0	0	257	257	0	0	257 (0.08)	257 (0.08)	0	0	0	0	0	0	0	0	257 (0.08)	257 (0.08)	None
	Representative: Sheng, Chien-Chih	0	0	0	0	0	0	120	120	120 (0.04)	120 (0.04)	4,069	4,069	224	224	360	0	360	0	4,773 (1.46)	4,773 (1.46)	None
Independent Director	Chueh, Ming-Fu	420	420	0	0	0	0	60	60	480 (0.15)	480 (0.15)	0	0	0	0	0	0	0	0	480 (0.15)	480 (0.15)	None
Independent Director	Cheng, Wen-Zheng	420	420	0	0	0	0	60	60	480 (0.15)	480 (0.15)	0	0	0	0	0	0	0	0	480 (0.15)	480 (0.15)	None
Independent Director	Liu, Zheng-Huai	420	420	0	0	0	0	60	60	480 (0.15)	480 (0.15)	0	0	0	0	0	0	0	0	480 (0.15)	480 (0.15)	None
Independent Director	Zhuang, Bo-Nian	210	210	0	0	0	0	30	30	240 (0.07)	240 (0.07)	0	0	0	0	0	0	0	0	240 (0.07)	240 (0.07)	None

Table of Remuneration Tiers

Tiers for Payments of Remuneration to Each Director of the Company	Director Name			
	Total Amount of Remuneration For the First Four Items (A+B+C+D)		Total of Remuneration for the First <u>Seven</u> Items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies included in Financial Report (Note 9) H	The Company (Note 8)	All Companies included in Financial Report (Note9) I
Under NTD 1,000,000	Sheng, Kuo-Jung, Lin, Yen-Huey, Lin, Mei-Yu Wang, Hui-O, Huang, Feng-Yih, Tsai, Yu-Kung Central Investment Co., Ltd. (Representative: Chang, Yu-Jeng, Lin, Yue-Hong) Kao Fong Machinery Co., Ltd. (Representative: Sheng, Chien-Chih) Hao-Qing Investment Ltd. (Representative: Sun, Yong-Lu) Independent Director-Chueh, Ming-Fu, Cheng, Wen-Zheng, Liu, Zheng-Huai, Huang, Zhuang, Bo-Nian	Sheng, Kuo-Jung, Lin, Yen-Huey, Lin, Mei-Yu Wang, Hui-O, Huang, Feng-Yih, Tsai, Yu-Kung Central Investment Co., Ltd. (Representative: Chang, Yu-Jeng, Lin, Yue-Hong) Kao Fong Machinery Co., Ltd. (Representative: Sheng, Chien-Chih) Hao-Qing Investment Ltd. (Representative: Sun, Yong-Lu) Independent Director-Chueh, Ming-Fu, Cheng, Wen-Zheng, Liu, Zheng-Huai, Huang, Zhuang, Bo-Nian	Lin, Mei-Yu, Wang, Hui-O Huang, Feng-Yih, Tsai, Yu-Kung Central Investment Co., Ltd. (Representative: Chang, Yu-Jeng, Lin, Yue-Hong) Hao-Qing Investment Ltd. (Representative: Sun, Yong-Lu) Independent Director-Chueh, Ming-Fu, Cheng, Wen-Zheng, Liu, Zheng-Huai, Zhuang, Bo-Nian	Lin, Mei-Yu, Wang, Hui-O Huang, Feng-Yih, Tsai, Yu-Kung Central Investment Co., Ltd. (Representative: Chang, Yu-Jeng, Lin, Yue-Hong) Hao-Qing Investment Ltd. (Representative: Sun, Yong-Lu) Independent Director-Chueh, Ming-Fu, Cheng, Wen-Zheng, Liu, Zheng-Huai, Zhuang, Bo-Nian
NTD 1,000,000 (incl.) ~ NTD 2,000,000 (under)	—	—	—	—
NTD 2,000,000 (incl.) ~ NTD 3,500,000 (under)	—	—	—	—
NTD 3,500,000 (incl.) ~ NTD 5,000,000 (under)	—	—	Kao Fong Machinery Co., Ltd. (Representative: Sheng, Chien-Chih)	Kao Fong Machinery Co., Ltd. (Representative: Sheng, Chien-Chih)
NTD 5,000,000 (incl.) ~ NTD 10,000,000 (under)	—	—	Lin, Yen-Huey	—
NTD 10,000,000 (incl.) ~ NTD 15,000,000 (under)	—	—	Sheng, Kuo-Jung	Sheng, Kuo-Jung, Lin, Yen-Huey
NTD 15,000,000 (incl.) ~ NTD 30,000,000 (under)	—	—	—	—
NTD 30,000,000 (incl.) ~ NTD 50,000,000 (under)	—	—	—	—
NTD 50,000,000 (incl.) ~ NTD 100,000,000 (under)	—	—	—	—
Over NTD 100,000,000	—	—	—	—
Total	14	14	14	14

Hota Industrial Manufacturing Company Limited

REPRESENTATION LETTER

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the years ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Hota Industrial Manufacturing Company Limited

Chairman : Shen, Kuo-Rong

March 14, 2024

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

Independent Auditors' Report

To: Hota Industrial Manufacturing Company

Opinion

We have audited accompanying consolidated financial statements of Hota Industrial Manufacturing Company and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits entrusted by the Group in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our 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 matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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.

Cut-off of revenue from exporting sales

The operating revenue of Hota Industrial Manufacturing Company and subsidiaries for the year ended December 31, 2023 amounted to NT\$6,599,230 thousand. Hota Industrial Manufacturing Company and subsidiaries primarily acquire operating revenue from the manufacturing and trading of related products for vehicle transmission parts. Sales contracts include various terms and conditions. However, the Hota Industrial Manufacturing Company and subsidiaries recognize sales revenue immediately after shipment, and reverse the sales revenue at the end of each period for the portion that ownership of the products has not been transferred to the buyer due to the failure of fulfilling the agreed trading conditions which resulting in control of the product not yet being transferred to the buyer. As the data collection for the portion that does not meet the sales revenue recognition conditions involves a high degree of manual judgment and operation, we have included the cut-off of revenue from exporting sales as a key audit matter.

Our audit procedures include (but are not limited to) obtaining an understanding and assessing the operational procedures and internal control of sales transactions of Hota Industrial Manufacturing Company and subsidiaries, and testing the control; implementing cut-off test to the sales transactions during a certain period before and after the end of the reporting date, and randomly inspecting significant transactions, checking the transaction conditions in the contracts and verifying with relevant documents, to judge and determine the

contractual obligation and the time point of fulfilling it and confirm whether revenue is recognized in the appropriate period.

We also consider the appropriateness of the disclosure of sales revenue in Note 5 and Note 6 in the consolidated financial statements.

Evaluation of allowances for inventory valuation and obsolescence losses

The net inventories of Hota Industrial Manufacturing Company and subsidiaries as of December 31, 2023 amounted to NT\$3,337,134 thousand, accounting for 15% of total consolidated assets. Hota Industrial Manufacturing Company and subsidiaries are primarily engaged in the manufacturing and trading of related products for vehicle transmission parts. Due to the fierce competition in the automotive transmission parts market, there is a higher risk of inventory valuation and obsolescence losses. Therefore, allowances for inventory valuation and obsolescence losses are provided based on the level of destocking for inventories with ages exceeding a specific period, and inventories individually identified obsolescent. As the determination of obsolescent inventories and the net realizable value adopted in valuation usually involve subjective judgement, there is high estimate uncertainty. In consideration of inventories and allowances for inventory valuation and obsolescence losses being material to the financial statements, we identified this is a key audit matter.

Our audit procedures include (but are not limited to) obtaining an understanding and assessing the operational procedures and internal control of evaluation and provision of allowances for inventory valuation and obsolescence losses, and testing the control; obtaining inventory aging report, randomly inspect inventory items and testing the correctness of the calculating logic of inventory aging and information; discussing with the management and obtaining supporting documents about net realizable values evaluated for inventory items, and evaluating the rationality of the provision of allowances for inventory valuation and obsolescence losses; obtaining the data of inventory quantity at the end of the period, and comparing with annual physical inventory list, to verify the existence and completeness of inventories at the end of the period; observing annual inventory count and obtaining an understanding to the status of inventories, to evaluate the appropriateness of loss allowances for obsolescent and damaged inventories.

We also consider the appropriateness of the disclosure of inventories in Note 5 and Note 6 in the consolidated financial statements.

Other Matter—the Financial Statements of the Period Prior Have Been Audited by Other Auditors

The consolidated financial statements of Hota Industrial Manufacturing Company and subsidiaries for the year ended December 31, 2022 were audited by other auditors, on which they have issued an unqualified opinion with other matter paragraph on March 16, 2023.

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 for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to the fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2023 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.

Others

We and other auditors have audited the parent company only financial statements of Hota Industrial Manufacturing Company and subsidiaries as of and for the years ended December 31, 2023 and 2022 on which we and other auditors have issued an unqualified opinion with other matter paragraph, for your reference.

Ernst & Young

Audit and attestation to the financial reports of public companies have been approved by the competent authorities

Reference Number of the Audit and Attestation: No. Financial-Supervisory-Securities-Auditing -1030025503

No. Financial-Supervisory-Securities-Auditing -1080326041

Huang, Zi-Ping

CPA :

Huang, Yu-Ting

March 14, 2024

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated balance sheets

December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Assets			December 31, 2023		December 31, 2022	
Code	Accounting items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$784,936	4	\$1,072,452	5
1110	Financial assets at fair value through profit or loss—current	4 and 6.2	14,325	-	10,562	-
1120	Financial assets at fair value through other comprehensive income—current	4 and 6.3	90,290	-	83,735	-
1136	Financial assets at amortized cost—current	4 and 6.4	46,640	-	204,848	1
1150	Notes receivables, net	4	18,973	-	968	-
1170	Accounts receivables, net	4 and 6.5	2,624,734	12	2,949,521	13
1200	Other receivables		96,711	-	197,690	1
130x	Inventories	4 and 6.6	3,337,134	15	3,454,922	15
1470	Other current assets		136,429	1	254,443	1
11xx	Total current assets		7,150,172	32	8,229,141	36
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income—non-	4 and 6.3	140,640	1	65,040	-
1535	Financial assets at amortized cost—non-current	4, 6.4 and 8	-	-	32	-
1550	Investments accounted for using equity method	4, 6.7 and 8	305,866	2	298,839	1
1600	Property, plant and equipment	4, 6.8 and 8	14,044,490	63	13,759,127	60
1755	Right-of-use assets	4 and 6.21	332,430	1	316,790	2
1760	Investment properties, net	4 and 6.9	30,387	-	30,387	-
1780	Intangible assets	4	7,950	-	7,552	-
1840	Deferred tax assets	4 and 6.25	48,391	-	48,296	-
1900	Other non-current assets	6.1	266,945	1	171,107	1
15xx	Total non-current assets		15,177,099	68	14,697,170	64
1xxx	Total assets		\$22,327,271	100	\$22,926,311	100

(Please refer to the notes to the consolidated financial statements.)

Chairman: Shen, Guo-Rong

Manager: Chen, Jun-Zhi

Chief accountant: Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated balance sheets (cont.)

December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Liabilities and equity			December 31, 2023		December 31, 2022	
Code	Accounting items	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4 and 6.11	\$2,169,484	10	\$2,060,484	9
2110	Short-term notes payables	4 and 6.12	1,000,000	5	1,060,000	5
2150	Notes payables		423,851	2	524,871	2
2170	Accounts payables	4	508,130	2	899,474	4
2200	Other payables	6.13	492,177	2	749,478	3
2230	Current income tax liabilities	4 and 6.25	98,328	-	138,043	1
2280	Lease liabilities—current	4 and 6.21	22,613	-	22,952	-
2322	Long-term borrowings, current portion	4 and 6.14	1,390,203	6	1,243,405	6
2399	Other current liabilities		146,742	1	64,952	-
21xx	Total current liabilities		6,251,528	28	6,763,659	30
	Non-current liabilities					
2540	Long-term borrowings	4 and 6.14	6,808,631	30	6,744,180	29
2570	Deferred tax liabilities	4 and 6.25	22,953	-	46,654	-
2580	Lease liabilities—non-current	4 and 6.21	274,435	1	258,391	1
2600	Other non-current liabilities		127,848	1	137,767	1
25xx	Total non-current liabilities		7,233,867	32	7,186,992	31
2xxx	Total liabilities		13,485,395	60	13,950,651	61
	Equity attributable to shareholders of the parent					
31xx	Capital stock					
3100	Common stock	6.17	2,795,175	13	2,795,175	12
3200	Capital surplus	6.17	3,833,804	17	3,833,804	17
3300	Retained earnings	6.17				
3310	Legal reserve		789,267	4	724,977	3
3320	Special reserve		95,158	-	60,354	-
3350	Unappropriated earnings		1,322,676	6	1,530,514	7
	Total retained earnings		2,207,101	10	2,315,845	10
3400	Other equity		(112,607)	(1)	(95,158)	-
31xx	Total equity attributable to shareholders of the parent		8,723,473	39	8,849,666	39
36xx	Non-controlling interests	6.18	118,403	1	125,994	-
3xxx	Total equity		8,841,876	40	8,975,660	39
3x2x	Total liabilities and equity		\$22,327,271	100	\$22,926,311	100

(Please refer to the notes to the consolidated financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated statements of comprehensive income

For the years ended December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Code	Accounting items	Note	For the year ended December 31, 2023		For the year ended December 31, 2022	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.19	\$6,599,230	100	\$7,339,165	100
5000	Operating costs	6.6 and 22	(5,458,129)	(83)	(5,643,604)	(77)
5900	Gross profit		1,141,101	17	1,695,561	23
6000	Operating expenses					
6100	Sales and marketing expenses	6.22	(440,548)	(7)	(874,684)	(12)
6200	General and administrative expenses	6.22	(155,274)	(2)	(161,118)	(2)
6300	Research and development expenses	4 and 6.20	(101,390)	(2)	(105,803)	(2)
6450	Expected credit impairment losses	4 and 6.20	(28,298)	-	(15,020)	-
	Total operating expenses		(725,510)	(11)	(1,156,625)	(16)
6900	Income from operations		415,591	6	538,936	7
7000	Non-operating income and expenses					
7100	Interest income	4 and 6.23	10,034	-	3,078	-
7010	Other income	4 and 6.23	86,051	1	77,355	1
7020	Other gains and losses	6.23	17,462	1	266,880	4
7050	Finance costs	6.23	(186,861)	(3)	(125,587)	(2)
7060	Share of profit or loss of associates and joint ventures income accounted for using equity method	5.7	20,323	-	7,836	-
	Total non-operating income and expenses		(52,991)	(1)	229,562	3
7900	Income before income tax		362,600	5	768,498	10
7950	Income tax expense	4 and 6.25	(37,937)	- 1	(139,425)	(2)
8200	Net income		324,663	4	629,073	8
8300	Other comprehensive income					
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans	4 and 6.24	\$5,525	-	\$15,289	-
8316	Unrealized valuation gains or losses on investments in equity instruments at fair value through other	4 and 6.24	4,287	-	(7,451)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity	4 and 6.24	(2,746)	-	(27,084)	-
8349	Income tax related to items that will not be reclassified subsequently	4 and 6.24	(1,140)	-	(2,923)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations	4 and 6.24	(3,131)	-	33,418	-
8367	Unrealized valuation gains or losses on investments in debt instruments at fair value through other	4 and 6.24	(4,127)	-	(31,814)	-
8370	Share of other comprehensive income of associates accounted for using equity method	4 and 6.24	(1,454)	-	2,552	-
8399	Income tax related to items that will be reclassified subsequently	6.25	(3,306)	-	2,013	-
	Other comprehensive income (net of tax)		(6,092)	-	(16,000)	-
8500	Total comprehensive income		\$318,571	4	\$613,073	8
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		\$327,211		\$623,958	
8620	Non-controlling interests		(2,548)		5,115	
			\$324,663		\$629,073	
8700	Total comprehensive income attributable to:					
8710	Shareholders of the parent		\$321,035		\$608,102	
8720	Non-controlling interests		(2,464)		4,971	
			\$318,571		\$613,073	
	Earnings per share (NT \$)	4 and 6.26				
9750	Basic earnings per share		\$1.17		\$2.23	
9850	Diluted earnings per share		\$1.17		\$2.23	

(Please refer to the notes to the consolidated financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated statements of changes in equity

For the years ended December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Expressed in thousands of New Taiwan Dollars

	Items	Equity attributable to shareholders of the parent							Total	Non-controlling interest	Total equity
		Capital stock	Capital surplus	Retained earnings			Other equity				
				Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income			
Code		3100	3200	3310	3320	3350	3410	3420	31XX	36XX	3XXX
A1	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	\$121,023	\$8,744,128
D1	Net income, 2022					623,958			623,958	5,115	629,073
D3	Other comprehensive income, 2022					13,420	37,978	(67,254)	(15,856)	(144)	(16,000)
D5	Total comprehensive income	-	-	-	-	637,378	37,978	(67,254)	608,102	4,971	613,073
	Appropriation and distribution of earnings in 2021										
B1	Legal reserve			35,326		(35,326)			-		-
B3	Special reserve				12,118	(12,118)			-		-
B5	Cash dividends of common stock					(381,541)			(381,541)		(381,541)
Q1	value through other comprehensive income					5,528		(5,528)	-	-	-
Z1	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
A1	Balance at January 1, 2023	\$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
D1	Net income (loss), 2023					327,211			327,211	(2,548)	324,663
D3	Other comprehensive income, 2023					4,158	(7,432)	(2,902)	(6,176)	84	(6,092)
D5	Total comprehensive income	-	-	-	-	331,369	(7,432)	(2,902)	321,035	(2,464)	318,571
	Appropriation and distribution of earnings in 2022										
B1	Legal reserve			64,290		(64,290)			-		-
B3	Special reserve				34,804	(34,804)			-		-
B5	Cash dividends of common stock					(447,228)			(447,228)		(447,228)
Q1	value through other comprehensive income					7,115		(7,115)	-		-
O1	Decrease in non-controlling interests									(5,127)	(5,127)
Z1	Balance at December 31, 2023	\$2,795,175	\$3,833,804	\$789,267	\$95,158	\$1,322,676	\$(14,590)	\$(98,017)	\$8,723,473	\$118,403	\$8,841,876

(Please refer to the notes to the consolidated financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated statements of cash flows

For the years ended December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Code	Item	For the year ended December 31, 2023	For the year ended December 31, 2022
	Cash flows from operating activities :		
A10000	Income before tax	\$362,600	\$768,498
A20000	Adjustments for :		
A20010	Items of income and expenses :		
A20100	Depreciation expenses	711,179	641,763
A20200	Amortization expenses	4,735	5,328
A20300	Expected credit impairment losses	28,298	15,020
A20400	Net losses on financial assets and liabilities at fair value through profit or loss	1,650	10,939
A20900	Interest expenses	186,861	125,587
A21200	Interest income	(10,034)	(3,078)
A22300	Share of profit or loss of associates and joint ventures accounted for using equity method	(20,323)	(7,836)
A22500	Gains on disposals of property, plant and equipment	(5,471)	(6,823)
A24100	Unrealized exchange gains	-	(37,065)
A30000	Net changes in operating assets and liabilities :		
A31130	Decrease (increase) in notes receivables	(18,005)	49,917
A31150	Decrease (increase) in accounts receivables	296,489	(348,686)
A31180	Decrease (increase) in other receivables	100,979	(74,611)
A31200	Decrease (increase) in inventories	117,788	(393,085)
A31240	Decrease in other current assets	118,014	11,257
B06700	Increase in other non-current assets	(64,140)	(40,621)
A32130	Decrease in notes payables	(101,020)	(396,629)
A32150	Decrease in accounts payables	(391,344)	(211,638)
A32180	Decrease in other payables	(259,024)	(111,860)
A32230	Increase in other current liabilities	81,790	39,915
C04300	Decrease in other non-current liabilities	(8,919)	(6,410)
A33000	Cash generated from operations	1,132,103	29,882
A33100	Interests received	10,034	2,606
A33300	Interests paid	(185,138)	(128,699)
A33500	Income tax paid	(104,754)	(54,694)
AAAA	Net cash flows generated from (used in) operating activities	852,245	(150,905)

(Please refer to the notes to the consolidated financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited and Subsidiaries

Consolidated statements of cash flows (cont.)

For the years ended December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Code	Item	For the year ended December 31, 2023	For the year ended December 31, 2022
	Cash flows from investing activities :		
B00020	Disposals of financial assets at fair value through other comprehensive income — current	8,229	29,077
B00040	Acquisitions of financial assets at amortized cost	(3,830)	(169,330)
B00010	Acquisitions of financial assets at fair value through other comprehensive income — non-current	(94,963)	(4,519)
B00050	Disposals of financial assets at amortized cost	162,070	-
B00100	Acquisitions of financial assets at fair value through profit or loss	(6,604)	(21,501)
B00200	Disposals of financial assets at fair value through profit or loss	1,191	-
B01800	Acquisitions of investments accounted for using equity method	-	(5,000)
B01900	Disposals of investments accounted for using equity method	983	-
B02700	Acquisitions of property, plant and equipment	(874,435)	(1,394,627)
B02800	Disposals of property, plant and equipment	10,973	8,015
B03700	Increase in guaranteed deposits paid	(12,075)	(1,178)
B04500	Acquisitions of intangible assets	(5,133)	(6,177)
B07100	Increase in prepayments for equipment	(129,337)	-
B07600	Dividends received	6,069	2,441
B09900	Other investing activities	(4,831)	-
BBBB	Net cash flows used in investing activities	(941,693)	(1,562,799)
	Cash flows from financing activities :		
C00100	Increase in short-term borrowings	8,635,738	732,184
C00200	Decrease in short-term borrowings	(8,525,453)	-
C00600	Decrease in short-term notes payables	(60,000)	(200,000)
C01600	Increase in long-term borrowings	7,531,964	4,272,971
C01700	Repayments of long-term borrowings	(7,304,888)	(2,641,889)
C03100	Decrease in guaranteed deposits received	(1,000)	-
C04020	Repayments of principal of lease liabilities	(23,960)	(16,288)
C04500	Cash dividends paid	(447,228)	(381,541)
CCCC	Net cash flows generated from (used in) financing activities	(194,827)	1,765,437
DDDD	Effects of changes in exchange rate on cash	(3,241)	72,809
EEEE	Net increase (decrease) in cash and cash equivalents	(287,516)	124,542
E00100	Cash and cash equivalents at the beginning of period	1,072,452	947,910
E00200	Cash and cash equivalents at the end of period	\$784,936	\$1,072,452

(Please refer to the notes to the consolidated financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

(Parent Company Only Financial Statements)

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

Independent Auditors' Report

To: Hota Industrial Manufacturing Company

Opinion

We have audited accompanying parent company only financial statements of Hota Industrial Manufacturing Company, which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits entrusted by the Company in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our ethical responsibilities in accordance with these requirements. According to our audit result and other auditors' report, 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 matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Cut-off of revenue from exporting sales

The operating revenue of Hota Industrial Manufacturing Company for the year ended December 31, 2023 amounted to NT\$6,096,868 thousand. Hota Industrial Manufacturing Company and subsidiaries primarily acquire operating revenue from the manufacturing and trading of related products for vehicle transmission parts. Sales contracts include various terms and conditions. However, the Hota Industrial Manufacturing Company and subsidiaries recognize sales revenue immediately after shipment, and reverse the sales revenue at the end of each period for the portion that ownership of the products has not been transferred to the buyer due to the failure of fulfilling the agreed trading conditions which resulting in control of the product not yet being transferred to the buyer. As the data collection for the portion that does not meet the sales revenue recognition conditions involves a high degree of manual judgment and operation, we have included the cut-off of revenue from exporting sales as a key audit matter.

Our audit procedures include (but are not limited to) obtaining an understanding and assessing the operational procedures and internal control of sales transactions of Hota Industrial Manufacturing Company and subsidiaries, and testing the control; implementing cut-off test to the sales transactions during a certain period before and after the end of the reporting date, and randomly inspecting significant transactions, checking the transaction conditions in the contracts and verifying with relevant documents, to judge and determine the contractual obligation and the time point of fulfilling it and confirm whether revenue is recognized in the appropriate period.

We also consider the appropriateness of the disclosure of sales revenue in Note 5 and Note 6 in the parent company only financial statements.

Evaluation of allowances for inventory valuation and obsolescence losses

The net inventories of Hota Industrial Manufacturing Company and subsidiaries as of December 31, 2023 amounted to NT\$2,603,518 thousand, accounting for 13% of total assets. Hota Industrial Manufacturing Company and subsidiaries are primarily engaged in the manufacturing and trading of related products for vehicle transmission parts. Due to the fierce competition in the automotive transmission parts market, there is a higher risk of inventory valuation and obsolescence losses. Therefore, allowances for inventory valuation and obsolescence losses are provided based on the level of destocking for inventories with ages exceeding a specific period, and inventories individually identified obsolescent. As the determination of obsolescent inventories and the net realizable value adopted in valuation usually involve subjective judgement, there is high estimate uncertainty. In consideration of inventories and allowances for inventory valuation and obsolescence losses being material to the financial statements, we identified this is a key audit matter.

Our audit procedures include (but are not limited to) obtaining an understanding and assessing the operational procedures and internal control of evaluation and provision of allowances for inventory valuation and obsolescence losses, and testing the control; obtaining inventory aging report, randomly inspect inventory items and testing the correctness of the calculating logic of inventory aging and information; discussing with the management and obtaining supporting documents about net realizable values evaluated for inventory items, and evaluating the rationality of the provision of allowances for inventory valuation and obsolescence losses; obtaining the data of inventory quantity at the end of the period, and comparing with annual physical inventory list, to verify the existence and completeness of inventories at the end of the period; observing annual inventory count and obtaining an understanding to the status of inventories, to evaluate the appropriateness of loss allowances for obsolescent and damaged inventories.

We also consider the appropriateness of the disclosure of inventories in Note 5 and Note 6 in the parent company only financial statements.

Other Matter—the Financial statements of the Period Prior Have Been Audited by Other Auditors

The parent company only financial statements of Hota Industrial Manufacturing Company for the year ended December 31, 2022 were audited by other auditors, on which they have issued an unqualified opinion with other matter paragraph on March 16, 2023.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent company only financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional

judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company only 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 parent company only financial statements for the year ended December 31, 2023 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.

Ernst & Young

Audit and attestation to the financial reports of public companies have been approved by the competent authorities

Reference Number of the Audit and Attestation: No. Financial-Supervisory-Securities-Auditing -1030025503

No. Financial-Supervisory-Securities-Auditing -1080326041

Huang, Zi-Ping

CPA :

Huang, Yu-Ting

March 14, 2024

Hota Industrial Manufacturing Company Limited
Parent company only balance sheets
December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Code	Assets		December 31, 2023		December 31, 2022	
	Accounting items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$644,495	3	\$993,490	4
1120	Financial assets at fair value through other comprehensive income	4 and 6.2	47,785	-	41,808	-
1136	Financial assets at amortized cost — current	4 and 6.3	7,991	-	155,930	1
1150	Notes receivables, net	4	10,104	-	-	-
1170	Accounts receivables, net	4 and 6.4	2,497,323	13	2,919,013	14
1180	Accounts receivables from related parties, net	4 and 7	36,505	-	55,538	-
1200	Other receivables		84,507	-	173,888	1
130x	Inventories	4 and 6.5	2,603,518	13	2,955,201	14
1470	Other current assets		75,352	-	163,811	1
11xx	Total current assets		6,007,580	29	7,458,679	35
	Non-current assets					
	Financial assets at fair value through other comprehensive income					
1517	— non-current	4 and 6.2	134,882	1	60,111	-
1550	Investments accounted for using equity method	4 and 6.6	1,097,613	6	935,875	5
1600	Property, plant and equipment	4, 6.4 and 8	12,752,638	63	12,434,251	59
1755	Right-of-use assets	4 and 6.18	243,185	1	251,211	1
1760	Investment properties, net	4 and 6.8	30,387	-	30,387	-
1780	Intangible assets	4	7,578	-	7,402	-
1840	Deferred tax assets	4 and 6.22	44,723	-	45,427	-
1900	Other non-current assets	8	93,017	-	55,394	-
15xx	Total non-current assets		14,404,023	71	13,820,058	65
1xxx	Total assets		\$20,411,603	100	\$21,278,737	100

(Please refer to the notes to the parent company only financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited
Parent company only balance sheets (cont.)
December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Liabilities and equity			December 31, 2023		December 31, 2022	
Code	Accounting items	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4 and 6.9	\$1,876,337	9	\$1,747,359	8
2110	Short-term notes payables	4 and 6.10	1,000,000	5	1,060,000	5
2150	Notes payables		423,851	2	524,871	2
2170	Accounts payables	4 and 7	471,915	2	819,121	4
2200	Other payables	6.11 and 7	483,005	2	691,583	3
2230	Current income tax liabilities	4 and 6.22	97,392	-	137,139	1
2280	Lease liabilities — current	4 and 6.18	11,740	-	16,401	-
2322	Long-term borrowings, current portion	4 and 6.12	1,051,669	5	604,845	3
2399	Other current liabilities		11,048	-	7,056	-
21xx	Total current liabilities		5,426,957	25	5,608,375	26
	Non-current liabilities					
2540	Long-term borrowings	4 and 6.12	5,891,818	29	6,415,691	30
2570	Deferred tax liabilities	4 and 6.22	22,280	-	46,654	-
2580	Lease liabilities — non-current	4 and 6.18	239,775	1	241,620	1
2600	Other non-current liabilities	4 and 6.14	107,300	1	116,731	1
25xx	Total non-current liabilities		6,261,173	31	6,820,696	32
2xxx	Total liabilities		11,688,130	56	12,429,071	58
	Equity					
31xx	Capital stock					
3100	Common stock	6.15	2,795,175	14	2,795,175	13
3200	Capital surplus	6.15	3,833,804	19	3,833,804	18
3300	Retained earnings	6.15				
3310	Legal reserve		789,267	4	724,977	4
3320	Special reserve		95,158	-	60,354	-
3350	Unappropriated earnings		1,322,676	7	1,530,514	7
	Total retained earnings		2,207,101	11	2,315,845	11
3400	Other equity		(112,607)	-	(95,158)	-
3xxx	Total equity		8,723,473	44	8,849,666	42
3x2x	Total liabilities and equity		\$20,411,603	100	\$21,278,737	100

(Please refer to the notes to the parent company only financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited
Parent company only statements of comprehensive income
For the years ended December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars						
Code	Accounting items	Note	For the year ended December 31, 2023		For the year ended December 31, 2022	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.1.6	\$6,096,868	100	\$6,898,232	100
5000	Operating costs	6.5 and 2.0	(5,045,906)	(83)	(5,313,060)	(77)
5900	Gross profit		1,050,962	17	1,585,172	23
5910	Unrealized gains (losses) on sales		1,338	-	(42)	-
5950	Gross profit, net		1,052,300	17	1,585,130	23
6000	Operating expenses					
6100	Sales and marketing expenses	6.1.9	(406,533)	(7)	(828,890)	(12)
6200	General and administrative expenses	6.1.9	(85,832)	(1)	(94,797)	(1)
6300	Research and development expenses	6.1.9	(99,048)	(2)	(105,803)	(2)
6450	Expected credit impairment losses	4 and 6.1.7	(24,000)	-	(15,148)	-
	Total operating expenses		(615,413)	(10)	(1,044,638)	(15)
6900	Income from operations		436,887	7	540,492	8
7000	Non-operating income and expenses					
7100	Interest income	4 and 6.2.0	6,976	-	2,345	-
7010	Other income	4 and 6.2.0	46,824	-	36,332	1
7020	Other gains and losses	6.2.0	20,643	-	276,445	4
7050	Finance costs	6.2.0	(161,605)	(3)	(109,622)	(2)
7070	Share of profit or loss of subsidiaries, associates and joint ventures income accounted for using equity method	6.6	11,244	-	17,090	-
	Total non-operating income and expenses		(75,918)	(3)	222,590	3
7900	Income before income tax		360,969	4	763,082	11
7950	Income tax expense	4 and 6.2.2	(33,758)	- 1	(139,124)	(2)
8200	Net income		327,211	3	623,958	9
8300	Other comprehensive income					
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans	4 and 6.2.1	\$6,187	-	\$14,992	-
8316	Unrealized valuation gains or losses on investments in equity instruments at fair value through other	4 and 6.2.1	3,338	-	(529)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method—items that will not be reclassified subsequently to profit or loss	4 and 6.2.1	(2,906)	-	(33,485)	-
8349	Income tax related to items that will not be reclassified subsequently	4 and 6.2.1	(1,237)	-	(2,998)	-
8360	Items that may be reclassified subsequently to profit or loss			-		
8361	Exchange differences arising on translation of foreign operations	4 and 6.2.1	(3,131)	-	33,413	-
8367	Unrealized valuation gains or losses on investments in debt instruments at fair value through other	4 and 6.2.1	(4,126)	-	(31,814)	-
8380	Share of other comprehensive income of associates accounted for using equity method—items that may be reclassified subsequently to profit or loss	4 and 6.2.1	(995)	-	2,552	-
8399	Income tax related to items that will be reclassified subsequently	6.2.2	(3,306)	-	2,013	-
	Other comprehensive income (net of tax)		(6,176)	-	(15,856)	-
8500	Total comprehensive income		\$321,035	3	\$608,102	9
	Earnings per share(NT\$)	4 and 6.2.3				
9750	Basic earnings per share		\$1.17		\$2.23	
9850	Diluted earnings per share		\$1.17		\$2.23	

(Please refer to the notes to the parent company only financial statements.)

Chairman : Shen, Guo-Kong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited
Parent company only statements of changes in equity
For the years ended December 31, 2023 and 2022

		Capital stock	Capital surplus	Retained earnings			Other equity		Total equity
				Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	
Code		3100	3200	3310	3320	3350	3410	3420	31XX
A1	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
D1	Net income, 2022					623,958			623,958
D3	Other comprehensive income, 2022					13,420	37,978	(67,254)	(15,856)
D5	Total comprehensive income	-	-	-	-	637,378	37,978	(67,254)	608,102
	Appropriation and distribution of earnings in 2021								
B1	Legal reserve			35,326		(35,326)			-
B3	Special reserve				12,118	(12,118)			-
B5	Cash dividends of common stock				四及六.22	(381,541)			(381,541)
Q1	Disposals of equity instruments at fair value through other comprehensive income					5,528		(5,528)	-
Z1	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
A1	Balance at January 1, 2023	\$2,795,175	\$3,833,804	\$724,977	\$60,354	\$1,530,514	\$(7,158)	\$(88,000)	\$8,849,666
D1	Net income (loss), 2023					327,211			327,211
D3	Other comprehensive income, 2023					4,158	(7,432)	(2,902)	(6,176)
D5	Total comprehensive income	-	-	-	-	331,369	(7,432)	(2,902)	321,035
	Appropriation and distribution of earnings in 2022								
B1	Legal reserve			64,290		(64,290)			-
B3	Special reserve				34,804	(34,804)			-
B5	Cash dividends of common stock					(447,228)			(447,228)
Q1	Disposals of equity instruments at fair value through other comprehensive income					7,115		(7,115)	-
Z1	Balance at December 31, 2023	\$2,795,175	\$3,833,804	\$789,267	\$95,158	\$1,322,676	\$(14,590)	\$(98,017)	\$8,723,473

(Please refer to the notes to the parent company only financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited
Parent company only statements of cash flows
For the years ended December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Code	Item	For the year ended December 31, 2023	For the year ended December 31, 2022
	Cash flows from operating activities :		
A10000	Income before tax	\$360,969	\$763,082
A20000	Adjustments for :		
A20010	Items of income and expenses :		
A20100	Depreciation expenses	656,505	610,225
A20200	Amortization expenses	4,560	4,851
A20300	Expected credit impairment losses	24,000	15,148
A20900	Interest expenses	161,605	109,622
A21200	Interest income	(6,976)	(2,345)
A22400	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	(11,244)	(17,090)
A22500	Losses (gains) on disposals of property, plant and equipment	1,737	(7,954)
A23900	Unrealized (realized) gains on sales	(1,338)	42
A24100	Unrealized exchange gains	-	(67,654)
A30000	Net changes in operating assets and liabilities :		
A31130	Decrease (increase) in notes receivables	(11,390)	25,442
A31150	Decrease (increase) in accounts receivables	401,954	(511,146)
A31180	Decrease (increase) in other receivables	85,927	(105,713)
A31200	Decrease (increase) in inventories	242,007	(273,285)
A31240	Decrease in other current assets	88,436	60,879
B06700	Increase in other non-current assets	(8,000)	-
A32130	Decrease in notes payables	(101,020)	(396,629)
A32150	Decrease in accounts payables	(338,837)	(139,874)
A32180	Decrease in other payables	(216,059)	(145,137)
A32230	Increase (decrease) in other current liabilities	10,306	(8,723)
C04300	Increase in other non-current liabilities	5,097	3,585
A33000	Cash generated from (used in) operations	1,348,239	(82,674)
A33100	Interests received	7,440	1,872
A33300	Interests paid	(160,086)	(108,535)
A33500	Income tax paid	(100,963)	(54,833)
AAAA	Net cash flows generated from (used in) operating activities	1,094,630	(244,170)

(Please refer to the notes to the parent company only financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Hota Industrial Manufacturing Company Limited
Parent company only statements of cash flows (cont.)
For the years ended December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

Code	Item	For the year ended December 31, 2023	For the year ended December 31, 2022
	Cash flows from investing activities :		
B00020	Disposals of financial assets at fair value through other comprehensive income — current	1,390	34,605
B00040	Acquisitions of financial assets at amortized cost	(3,780)	(153,809)
B00010	Acquisitions of financial assets at fair value through other comprehensive income — non-current	(74,771)	(4,519)
B00050	Disposals of financial assets at amortized cost	151,719	-
B01800	Acquisitions of investments accounted for using equity method	(33,515)	(5,000)
B02700	Acquisitions of property, plant and equipment	(835,535)	(1,234,042)
B02800	Disposals of property, plant and equipment	2,027	8,332
B03700	Increase in guaranteed deposits paid	(10,000)	(999)
B04500	Acquisitions of intangible assets	(4,736)	(6,111)
B05350	Acquisitions of right-of-use assets	(5,122)	-
B07100	Increase in prepayments for equipment	(252,394)	-
B07600	Dividends received	6,069	2,441
BBBB	Net cash flows used in investing activities	(1,058,648)	(1,359,102)
	Cash flows from financing activities :		
C00100	Increase in short-term borrowings	8,308,491	794,943
C00200	Decrease in short-term borrowings	(8,180,506)	-
C00500	Decrease in short-term notes payables	(60,000)	(200,000)
C01600	Increase in long-term borrowings	6,857,970	3,512,287
C01700	Repayments of long-term borrowings	(6,948,547)	(1,967,998)
C03100	Decrease in guaranteed deposits received	(1,000)	-
C04020	Repayments of principal of lease liabilities	(6,506)	(10,360)
C04500	Cash dividends paid	(447,228)	(381,541)
CCCC	Net cash flows generated from (used in) financing activities	(477,326)	1,747,331
DDDD	Effects of changes in exchange rate on cash	92,349	72,809
EEEE	Net increase (decrease) in cash and cash equivalents	(348,995)	216,868
E00100	Cash and cash equivalents at the beginning of period	993,490	776,622
E00200	Cash and cash equivalents at the end of period	\$644,495	\$993,490

(Please refer to the notes to the parent company only financial statements.)

Chairman : Shen, Guo-Rong

Manager : Chen, Jun-Zhi

Chief accountant : Li, Yuan-Ji

Appendix 3 : Table of Earnings Distribution

Hota Industrial MFG. Co., Ltd.
Earning Distribution statement of the year 2023

Unit: New Taiwan Dollar

Item	Amount	Remark
Unappropriated retained earnings at beginning of period	984,191,067	
Remeasurement of Defined benefit plans	4,158,930	
Sale of Equity Instrument at fair value through other comprehensive income.	7,115,379	
Net Profit of year 2023	327,210,819	
Unappropriated retained earnings, Total	1,322,676,195	
Legal Reserve (10%)	(33,848,513)	
Special Reserve	(17,449,845)	
Total retained earnings	1,271,377,837	
Current Distribution Items		
Cash Dividend (NTD 1.0 per share)	(279,517,513)	
Stock Dividend (NTD 0.0 per share)	—	
Current Distribution	(279,517,513)	
Unappropriated retained earnings at end of period	991,860,324	

Chairman of the Board:
 SHEN, GUO-RONG

General Manager:
 CHEN, JUN-ZHI

Accounting Supervisor
 LI, YUAN-JI

Appendix 4 : Comparison table of the “Articles of association” before and After version.

Article	After	Before	Explanation
23	The Company may appoint a <u>Chief Executive Officer and</u> 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.	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.	Revised to include the addition of appointing one Chief Executive Officer.
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. Proposals for distributing employee remuneration and director remuneration shall be <u>decided by the Board of Directors, with a quorum of two-thirds of directors in attendance and the agreement of a majority of those present. This resolution must be reported to the shareholders' meeting.</u> 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.	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. Proposals for distributing employee remuneration and director remuneration shall be <u>reported to the shareholders' meeting.</u> 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.	Revised pursuant to Article 235-1 of the Company Act.
27-1	<u>The Company's profit distribution or loss offsetting shall occur at the end of each semi-annual accounting period. The proposal for profit distribution or loss offsetting for the first half of the accounting year shall be submitted to the Board of Directors for resolution, following review by the Audit Committee</u>		To enhance the effectiveness of shareholder investments, Article 228-1 of the Company Act allows companies to distribute

	<p><u>along with the business report and financial statements.</u></p> <p>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". <u>If there are remaining profits, these, together with undistributed profits from the previous year, constitute accumulated distributable profits. The Company, considering financial, operational, and business factors, may decide by the Board of Directors to distribute all or part of the accumulated distributable profits as dividends for the current year.</u></p> <p>Cash dividends must not be less than 20% of the total dividend distribution. <u>If dividends are distributed by allocating to statutory reserves or capital reserves, or partly or wholly in cash, a decision must be made by the Board of Directors with the attendance of at least two-thirds of directors and the agreement of a majority of those present, and this decision must be reported to the shareholders' meeting. If distributed by issuing new shares, it shall be done after approval by the shareholders' meeting.</u></p>	<p>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.</p>	<p>profits or offset losses at the end of each semi-annual accounting period, subject to provisions in the articles of incorporation. Therefore, Article 27-1 was revised, pursuant to Article 228-1 of the Company Act, to specify that the Company may distribute profits or offset losses at the end of each semi-annual accounting period. In light of this revision, relevant provisions and textual adjustments to this article are made accordingly.</p>
28	(Deleted)	<p><u>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</u></p>	<p>Merged into Article 27-1, and make necessary adjustments to related provisions and textual wording.</p>

		<u>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</u> 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.	
30	This Article of Incorporation was set up on October 17, 1972. (... <i>Omitted</i> ...); the 44th amendment was made on June 13, 2023; <u>45th amendment was made on June 13, 2024.</u>	This Article of Incorporation was set up on October 17, 1972. (... <i>Omitted</i> ...); the 44th amendment was made on June 13, 2023.	

Hota Industrial MFG. Co., Ltd.
Articles of Association

Amended on June 13, 2023

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 earning 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 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 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 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

eight 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 ; the 44th amendment was made on June 13, 2023.

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 June 13, 2023

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.

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.

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. The Company shall make the meeting 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:

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.

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.

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.

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.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

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 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.

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. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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.

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.

- 5-1. To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:
 1. How shareholders attend the virtual meeting and exercise their rights.
 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:
 - (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.
 - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (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.
 - (4) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.
 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.
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.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast 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.

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.

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.

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, and the shares checked in on the virtual meeting platform, 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. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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. 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.

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.

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.

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.

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.

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

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.

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 meeting platform.

11. 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.

12. 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 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.

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.

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 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.

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.

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.

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.

14. 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. The minutes shall be retained for the duration of the existence of this Corporation.

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 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.

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.

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.

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 Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

16. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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.

17. 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.

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.

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.

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 182 of the Company Act shall not apply.

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.

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.

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.

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.

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 from voting on all proposals on meeting agenda of that shareholders meeting.

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.

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.

21. 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.
22. 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.
23. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 7 : 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, 2024

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	112.6.13	3	3,824,170	1.37	3,824,170	1.37
Director	LIN, YAN-HUI	112.6.13	3	3,802,174	1.36	3,802,174	1.36
Director	LIN, MEI-YU	112.6.13	3	3,266,000	1.17	3,266,000	1.17
Director	HUANG, FENG-YI	112.6.13	3	1,968,000	0.70	1,968,000	0.70
Director	WANG, HUI-E	112.6.13	3	791,272	0.28	791,272	0.28
Director	Zhong-Bu Investment Representative: ZHANG, YU-ZHENG	112.6.13	3	11,985,241	4.29	11,985,241	4.29
Director	Zhong-Bu Investment Representative: LIN, YUE-HONG	112.6.13	3	* 11,985,241	* 4.29	* 11,985,241	* 4.29
Director	GAO-FENG Industrial Representative: SHEN, QIAN-CI	112.6.13	3	7,066,239	2.53	7,442,239	2.66
Director	HAO-QING Investment Representative: SUN, YONG-LU	112.6.13	3	86,347	0.03	86,347	0.03
Independent Director	QUE, MING-FU	112.6.13	3	0	0	0	0
Independent Director	LIU, ZHENG-HUAI	112.6.13	3	0	0	0	0
Independent Director	ZHENG, WEN-ZHENG	112.6.13	3	0	0	0	0
Independent Director	ZHUANG, BO-NIAN	112.6.13	3	0	0	0	0
All directors total				32,789,443	11.73	33,165,443	11.86

Remarks:

1. The Company has issued 279,517,513 shares as of the book closure date on April 15, 2024.
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.