

Hota Industrial Mfg. Co., Ltd.

2025 Annual General Shareholders' Meeting - Minutes

Time: 09:30am, Wednesday, June 10, 2025

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

Convening method : physical shareholders meeting.

Number of shares present: Total shares represented by shareholders and proxy present 175,614,117 shares, which is 62.82% of the company's total outstanding shares, 279,517,513 shares.

Directors present: Sheng, Kuo-Jung, Lin, Yen-Huey, Huang, Feng-Yih, Lin, Mei-Yu, Kao Fong Machinery Co., Ltd. (Representative: Sheng, Chien-Chih), Hao-Qing Investment Co., Ltd. (Representative: Sun, Yong-Lu), Liu, Zheng-Huai (Independent Director), Que, Ming-Fu (Independent Director), Zhuang, Bo-Nian (Independent Director)

Attendees: Ernst & Young Taiwan (CPA Huang, Zi-Ping)

Chairman: Sheng, Kuo-Jung

Minutes taker: Li, Yuan-Ji

- I 、 Meeting called to order: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.
- II 、 Chairman's Address: (Omitted)
- III 、 Reports items:
- (i) 、 Operation Report of the Year 2024, please refer to Appendix 1.
- (ii) 、 Review Report for the financial final accounts of the Year 2024 by the Audit Committee, please refer to Appendix 2.
- (iii) 、 The Company's 2024 Employees' Compensation and Directors' Compensation are distribution as follows:
- (1) 2.16% as the remuneration to employees, namely NT\$5,000,000.
- (2) 0.52% as the remuneration to directors, namely NT\$1,200,000.
- (3) All the above will be paid in cash.
- (iv) 、 Report on remuneration of individual directors in 2023, please refer to Appendix 3.
- (v) 、 The cash dividends distributed from earnings in 2024 are as follows:
- | Year
(2024) | Approval date
(Month/Day/Year) | Distribution date
(Month/Day/Year) | Cash dividend
per share (NT\$) | Total amount of
cash dividend (NT\$) |
|-------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---|
| First half of the year | August 08, 2024 | NA | 0 | 0 |
| Second half of the year | March 13, 2025 | May 15, 2025 | 0.8 | 223,614,010 |
| Total : | | | 0.8 | 223,614,010 |
- (vi) 、 Report on fund loan and endorsement guarantee, please refer to Appendix 4.
- (vii) 、 The status of the common stocks transferred from the 4st Domestic Unsecured Convertible Bond, please refer to Appendix 5.
- (viii) 、 The execution status of the company's share repurchase, please refer to Appendix 6.

IV 、 Matters for Ratification

Proposal 1

(Proposed by the board of directors)

Proceedings: Ratification for the financial final accounts of the Year 2024.

Explanation: The Company's consolidated financial statements, individual financial statements, and business reports of the Year 2024 have been prepared, approved by the Company's board of directors, and completely verified by accountants Huang ZiPing and Huang JingYa of Ernst & Young Taiwan, reviewed by the Audit Committee, and submitted for ratification, please refer to Appendix 7.

Resolution: The proposal be and hereby was approved as seen below:

Shares represented at the time of voting: 173,741,204.

	Votes in favor	Votes against	Votes abstained
Cumulative votes (incl. electronic votes)	164,085,441 (53,857,822)	42,252 (42,252)	9,613,511 (9,394,009)
% of the total represented share present	94.44%	0.02%	5.53%

Proposal 2

(Proposed by the board of directors)

Proceedings: Ratification of the earning distribution of the Year 2024.

Explanation:

1. The Company's 2024 profit distribution statement has been reviewed by the Company's Audit Committee and approved by the Board of Directors.
2. The distribution table for the year 2024, please refer to Appendix 8.

Resolution: The proposal be and hereby was approved as seen below:

Shares represented at the time of voting: 173,741,204.

	Votes in favor	Votes against	Votes abstained
Cumulative votes (incl. electronic votes)	164,216,066 (53,988,447)	41,850 (41,850)	9,483,288 (9,263,786)
% of the total represented share present	94.52%	0.02%	5.46%

V 、 Matters for Discussion

Proposal 1

(Proposed by the board of directors)

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

Explanations: In compliance with Article 14, Paragraph 6 of the Securities and Exchange Act, the Company proposes to amend Article 27 of its Articles of association to explicitly stipulate the allocation ratio of grassroots employee remuneration if the Company makes a profit during the year. For the revised comparison table, please refer to Appendix 9.

Resolution: The proposal be and hereby was approved as seen below:

Shares represented at the time of voting: 173,741,204.

	Votes in favor	Votes against	Votes abstained
Cumulative votes (incl. electronic votes)	164,200,486 (53,972,867)	73,267 (73,267)	9,467,451 (9,247,949)
% of the total represented share present	94.51%	0.04%	5.45%

VI 、 Election matters

Proposal: By-election of an independent director of the Company. (Proposed by the board of directors)

Explanations:

1. Mr. Cheng, Wen-Zheng, an independent director of the Company, applied for resignation on June 15, 2024, and therefore one independent director will be by-elected.
2. The newly by-elected independent director will take office immediately after being elected with the term of office starting from June 10, 2025 and ending on June 12, 2026, which is same as the term of office of this Board of Directors.
3. The independent directors shall be elected under the candidate nomination system. Shareholders shall elect independent directors from independent director candidate list. The independent director candidate list has been reviewed and approved by the board of directors on 13 March 2025. The list of candidates and relevant information are as follows:

Role	Name	Education ackground	Experience
Independent Director	Huang,Guo-Shu	Master's degree in International Politics, National Chung Hsing University	Legislator Taichung City Council Member Member of the 7th Central Review Committee, Democratic Progressive Party Recipient of the 20th Outstanding Alumnus Award, National Chung Hsing University Advisor, Taichung City Medical Association Supervisor, Alumni Association of Taichung First Senior High School President, Taichung Go Association

Voting Result:

Independent Director Elected List :

Number of Nominee	Name	votes in favor
	Huang,Guo-Shu	160,499,920

VII 、 Extempore motion

VIII 、 Adjournment: meeting ended at 10:15 am, June 10, 2025.

No question was raised by shareholders on the proposal.

(Appendix 1)

A. Operation Report of the Year 2024

a. Execution Results of the Business Plan:

Unit: New Taiwan Dollar, thousand

Item	Year 2024		Year 2023	
	Amount	%	Amount	%
Operation Revenue	5,774,470	100	6,599,230	100
Operation Costs	(5,092,735)	(88)	(5,458,129)	(83)
Operation Margin	681,735	12	1,141,101	17
Operation Expenses	(795,706)	(14)	(725,510)	(11)
Operation Net Profit	(113,971)	(2)	415,591	6
Non-operating income and expenses	348,399	6	(52,991)	(1)
Net profit before tax	234,428	4	362,600	5
Income Tax Expense	(38,470)	(1)	(37,937)	(1)
Net Income after tax	195,958	3	324,663	4
Net income attributable to stockholders of the parent company	195,060	—	327,211	—
Net income attributable to non-controlling interests	898	—	(2,548)	—

b. Analysis of Profitability:

Item		Year 2024	Year 2023
Return on Assets (%)		1.53	2.10
Return on Equity of Shareholders (%)		2.20	3.64
Ratio to Paid-in Capital (%)	Operation Net Profit	(4.08)	14.87
	Net Income after tax	8.39	12.97
Net Profit Ratio (%)		3.39	4.92
Earnings per share(Not been retrospective adjusted)		0.70	1.17

c. Status of Research and Development:

1. The development results of Research & Development department in the last three years 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) Robot joint components.
- (9) Gear hobbing machine, gear scraping machine, chamfering machine, gear meshing machine, compressor, various types of automation equipment, and system integration.
- (10) Semiconductor related inspection equipment.
- (11) Differential assembly.

(12) Planetary gear set of transmission.

(13) Heavy locomotive gearbox and transmission components.

(14) 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 2023:

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)The Company is committed to diversification and will leverage its core competencies to develop new products for applications in industries other than the automotive industry.
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

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 2024. 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 2024 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 13, 2025

(Appendix 3) Details of Remuneration of Individual Directors for 2024.

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 Company	All Companies included in Financial Report (Note7)	The Company	All Companies included in Financial Report (Note7)	The Company	All Companies included in Financial Report (Note7)	The Company	All Companies included in Financial Report (Note7)	The Company	All Companies included in Financial Report (Note7)	The Company	All Companies included in Financial Report (Note7)	The Company	All Companies included in Financial Report (Note7)	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All Companies included in Financial Report (Note7)	
Director	Sheng, Kuo-Jung	0	0	0	0	218	218	120	126	338 (0.17)	344 (0.18)	8,549	11,075	441	441	600	—	600	0	9,928 (5.09)	12,460 (6.39)	None
Director	Lin, Yen-Huey	0	0	0	0	218	218	120	126	338 (0.17)	344 (0.18)	7,171	8,860	370	370	500	—	500	0	8,380 (4.30)	10,075 (5.16)	None
Director	Lin, Mei-Yu	0	0	0	0	109	109	120	120	229 (0.12)	229 (0.12)	0	0	0	0	0	0	0	0	229 (0.12)	229 (0.12)	None
Director	Huang, Feng-Yih	0	0	0	0	109	109	120	120	229 (0.12)	229 (0.12)	0	0	0	0	0	0	0	0	229 (0.12)	229 (0.12)	None
Director	Wang, Hui-O	0	0	0	0	109	109	120	120	229 (0.12)	229 (0.12)	0	0	0	0	0	0	0	0	229 (0.12)	229 (0.12)	None
Director	Hao-Qing Investment	0	0	0	0	109	109	0	0	109 (0.06)	109 (0.06)	0	0	0	0	0	0	0	0	109 (0.06)	109 (0.06)	None
	Representative: Sun, Yong-Lu	0	0	0	0	0	0	120	120	120 (0.06)	120 (0.06)	0	0	0	0	0	0	0	0	120 (0.06)	120 (0.06)	None
Director	Central Investment	0	0	0	0	218	218	0	0	218 (0.11)	218 (0.11)	0	0	0	0	0	0	0	0	218 (0.11)	218 (0.11)	None
	Representative: Chang, Yu-Jeng	0	0	0	0	0	0	120	120	120 (0.06)	120 (0.06)	0	0	0	0	0	0	0	0	120 (0.06)	120 (0.06)	None
	Representative: Lin, Yue-Hong	0	0	0	0	0	0	120	120	120 (0.06)	120 (0.06)	0	0	0	0	0	0	0	0	120 (0.06)	120 (0.06)	None
Director	Kao Fong Machinery	0	0	0	0	109	109	0	0	109 (0.06)	109 (0.06)	0	0	0	0	0	0	0	0	109 (0.06)	109 (0.06)	None
	Representative: Sheng, Chien-Chih	0	0	0	0	0	0	120	120	120 (0.06)	120 (0.06)	4,219	4,219	229	229	300	0	300	0	4,868 (2.50)	4,868 (2.50)	None
Independent Director	Chueh, Ming-Fu	480	480	0	0	0	0	60	60	540 (0.28)	540 (0.28)	0	0	0	0	0	0	0	0	540 (0.28)	540 (0.28)	None
Independent Director	Cheng, Wen-Zheng	260	260	0	0	0	0	40	40	300 (0.15)	300 (0.15)	0	0	0	0	0	0	0	0	300 (0.15)	300 (0.15)	None
Independent Director	Liu, Zheng-Huai	480	480	0	0	0	0	60	60	540 (0.28)	540 (0.28)	0	0	0	0	0	0	0	0	540 (0.28)	540 (0.28)	None
Independent Director	Zhuang, Bo-Nian	480	480	0	0	0	0	70	70	550 (0.28)	550 (0.28)	0	0	0	0	0	0	0	0	550 (0.28)	550 (0.28)	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 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 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 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 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)	—	—	Sheng, Kuo-Jung, Lin, Yen-Huey	—
NTD 10,000,000 (incl.) ~ NTD 15,000,000 (under)	—	—	—	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	13	13	13	13

(Appendix 4) fund loan and endorsement guarantee

a. As of December 31, 2024, 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, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Ceiling on total amount of endorsements/ guarantees provided
Hota Industrial Manufacturing Company Limited	Howon(Whaian) Automobile Components Company Limited	1,727,554	266,214	266,214	238,150	3,455,108
Hota Industrial Manufacturing Company Limited	Howon(Whaian) Automobile Components Company Limited	1,727,554	255,723	255,723	255,723	3,455,108
Hota Industrial Manufacturing Company Limited	Howon(Whaian) Automobile Components Company Limited	1,727,554	98,355	98,355	98,355	3,455,108
Hota Industrial Manufacturing Company Limited	Howon(Whaian) Automobile Components Company Limited	1,727,554	246,290	246,290	213,860	3,455,108
Hota Industrial Manufacturing Company Limited	Hefu Construction Co., Ltd.	1,727,554	156,000	156,000	0	3,455,108

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, 2024, fund loan are as follows:

Unit:NTD (thousand)

Creditor	Borrower	Reason for short-term financing	Maximum outstanding balance during the year ended 2024/12/31	Balance at December 31, 2024	Actual amount drawn down	Limit on loans granted to a single party	Ceiling on total loans granted
Hota Industrial Manufacturing Company Limited	YUNG-CHIN DEVELOP FORGINGCO., LTD.	Purchase of equipment	9,600	7,200	4,800	1,727,554	3,455,108
Hota Industrial Manufacturing Company Limited	CHIEN LI INDUSTRIAL CO., LTD.	Purchase of equipment	6,000	6,000	6,000	1,727,554	3,455,108
Hota Industrial Manufacturing Company Limited	Howon(Whaian) Automobile Components Company Limited	Purchase of equipment	196,710	196,710	0	1,727,554	3,455,108

c. 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.

(Appendix 5) Report on the execution of the 4th domestic unsecured convertible corporate bonds.

Categories of corporate bonds		The Fourth Domestic Unsecured Convertible Corporate Bonds
Date of issuance		August 12, 2024
Denomination		NT\$100,000 per bond
Venues of issuance and transaction		Taipei Exchange
Price of issue		100% of the face value
Total amount		NT\$1.5 billion
Interest rate		Coupon 0%
Duration		Three years due on August 12, 2027
Guarantee agency		N/A
Trustor		Land Bank of Taiwan Co., Ltd.
Underwriter		Taichung Bank Securities Co., Ltd.
Certifying Attorney-at-Law		Hanchen Law Firm Lawyer Peng, Yi-Cheng
CPA		Ernst & Young Taiwan CPA Huang, Zi-Ping, CPA Huang, Jing-Ya
Means of repayment		Conversion by the bondholder to the Company's ordinary shares according to Article 10 of the Regulations Governing the Issuance and Conversion, or exercise of the sell-back right by the bondholder according to Article 19, or the Company's call back according to Article 18 of the Company Act, or the Company's buyback from the securities company's venue and cancelation. Bond repayment to bondholders in cash at full face value when due.
Outstanding principal		NT\$1.5 billion
Terms regarding redemption or payback prior to expiry		Please refer to the Company's Regulations Governing the Issuance and Conversion of fourth Tranche of Unsecured Convertible Corporate Bonds in Taiwan
Restrictive terms		Nil
Title of the credit rating institution, rating date, results of corporate bonds rating		Nil
Affiliated with other rights	Amount of ordinary shares converted as of the date of printing of annual report	Nil
	Terms on issuance and conversion	Please refer to the Company's Regulations Governing the Issuance and Conversion of fourth Tranche of Unsecured Convertible Corporate Bonds in Taiwan
Issuance and conversion, exchange or subscription terms; terms on issuance toward the potential effect of dilution of equity and the impact upon the current shareholders' interests.		The convertible corporate bonds do not have the dilution effect on the equity before the creditors demand the exercise of the conversion right. The creditors can choose to convert at a more favorable time point during the convertible period, so the dilution has the effect of deferred dispersion. Effective from April 16, 2025, the conversion price is \$47.6. If the outstanding corporate bonds are fully converted at the current conversion price, the equity expansion rate is expected to be about 10.13%, with limited impact on shareholders' equity.
Title of the institution commissioned into custody of the target of exchange		N/A

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

(Appendix 6) Share Buyback Implementation Report

- (一) Pursuant to Article 28-2, Paragraph 1 of the Securities and Exchange Act, the procedures for share repurchases shall be in accordance with the "Regulations on the Repurchase of Shares by Listed and OTC Companies" prescribed by the securities regulatory authority. The report is as follows:

Buyback Period	4 th Batch
Board of Directors Resolution Date	2025/04/09
Buyback Purpose	Maintaining Company Credit and Shareholders' Equity
Buyback Duration	2025/04/10~2025/06/09
Price Interval for Buyback	NTD 40~70 per Share
Type of Shares Bought Back and Their Quantities	558,000 Shares
Amount Represented by the Shares Bought Back	NTD 32,446,571
Ratio of Number of Shares Bought Back to Estimated Buyback (%)	3.72%
Number of Shares with Cancellation Conducted and Transferred	0 Shares
Cumulative Number of Shares of the Company Held	558,000 Shares
Ratio of Cumulative Number of Shares of the Company Held to the Total Number of Shares Issued (%)	0.20%

- (二) Reason for not completing the execution this time: Based on the protection of shareholders' rights and interests and taking into account the market mechanism, the Company adopted a phased repurchase strategy depending on the stock price changes and trading volume conditions, so the execution was not completed in full.

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, 2024 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 13, 2025

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024 amounted to NT\$5,774,470 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, 2024 amounted to NT\$2,867,742 thousand, accounting for 13% 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.

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, 2024 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, 2024 and 2023 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 - 1120349153

Huang, Zi-Ping

CPA :

Huang, Jing-Ya

March 13, 2025

Hota Industrial Manufacturing Company Limited and Subsidiaries
Consolidated balance sheets
December 31, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Assets			December 31, 2024		December 31, 2023	
Code	Accounting items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$773,323	3	\$784,936	4
1110	Financial assets at fair value through profit or loss — current	4 and 6.2	11,342	-	14,325	-
1120	Financial assets at fair value through other comprehensive income — current	4 and 6.3	113,955	1	90,290	-
1136	Financial assets at amortized cost — current	4 and 6.4	263,370	1	46,640	-
1150	Notes receivables, net	4	26,423	-	18,973	-
1170	Accounts receivables, net	4 and 6.5	2,720,676	12	2,624,734	12
1200	Other receivables		26,497	-	96,711	-
130x	Inventories	4 and 6.6	2,867,742	13	3,337,134	15
1470	Other current assets		401,153	2	136,429	1
11xx	Total current assets		<u>7,204,481</u>	<u>32</u>	<u>7,150,172</u>	<u>32</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss — non-current	4, 6.3, and 14	600	-	-	-
1517	Financial assets at fair value through other comprehensive income — non-current	4 and 6.3	175,543	1	140,640	1
1550	Investments accounted for using equity method	4, 6.7 and 8	320,634	1	305,866	2
1600	Property, plant and equipment	4, 6.8 and 8	13,831,099	62	14,044,490	63
1755	Right-of-use assets	4 and 6.22	305,356	1	332,430	1
1760	Investment properties, net	4 and 6.9	193,673	1	30,387	-
1780	Intangible assets	4	5,502	-	7,950	-
1840	Deferred tax assets	4 and 6.26	47,987	-	48,391	-
1900	Other non-current assets	6.10	357,622	2	266,945	1
15xx	Total non-current assets		<u>15,238,016</u>	<u>68</u>	<u>15,177,099</u>	<u>68</u>
1xxx	Total assets		<u>\$22,442,497</u>	<u>100</u>	<u>\$22,327,271</u>	<u>100</u>

(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, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Liabilities and equity			December 31, 2024		December 31, 2023	
Code	Accounting items	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4 and 6.11	\$2,834,642	13	\$2,169,484	10
2110	Short-term notes payables	4 and 6.12	900,000	4	1,000,000	5
2150	Notes payables		453,720	2	423,851	2
2170	Accounts payables	4	289,099	1	508,130	2
2200	Other payables	6.13	296,579	1	492,177	2
2230	Current income tax liabilities		2,891	-	98,328	-
2280	Lease liabilities — current	4 and 6.22	13,031	-	22,613	-
2322	Long-term borrowings, current portion	4 and 6.14	1,544,738	7	1,390,203	6
2399	Other current liabilities		85,179	1	146,742	1
21xx	Total current liabilities		6,419,879	29	6,251,528	28
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss - non-current	4 and 6.14	8,250	-	-	-
2530	Bond payables	4 and 6.14	1,414,657	6	-	-
2540	Long-term borrowings	4 and 6.15	5,242,253	23	6,808,631	30
2570	Deferred tax liabilities	4 and 6.26	59,889	-	22,953	-
2580	Lease liabilities — non-current	4 and 6.22	236,056	1	274,435	1
2600	Other non-current liabilities		113,246	1	127,848	1
25xx	Total non-current liabilities		7,074,351	31	7,233,867	32
2xxx	Total liabilities		13,494,230	60	13,485,395	60
	Equity attributable to shareholders of the parent					
31xx	Capital stock					
3110	Common stock	6.18	2,795,175	12	2,795,175	13
3200	Capital surplus	6.18	3,908,804	17	3,833,804	17
3300	Retained earnings	6.18				
3310	Legal reserve		836,334	4	789,267	4
3320	Special reserve		112,608	1	95,158	-
3350	Unappropriated earnings		1,175,298	5	1,322,676	6
	Total retained earnings		2,124,240	10	2,207,101	10
3400	Other equity		(798)	-	(112,607)	(1)
31xx	Total equity attributable to shareholders of the parent		8,827,421	39	8,723,473	39
36xx	Non-controlling interests	6.19	120,846	1	118,403	1
3xxx	Total equity		8,948,267	40	8,841,876	40
3x2x	Total liabilities and equity		\$22,442,497	100	\$22,327,271	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, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Code	Accounting items	Note	For the year ended December 31, 2024		For the year ended December 31, 2023	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.20	\$5,774,470	100	\$6,599,230	100
5000	Operating costs	6.6 and 23	(5,092,735)	(88)	(5,458,129)	(83)
5900	Gross profit		681,735	12	1,141,101	17
6000	Operating expenses					
6100	Sales and marketing expenses	6.23	(546,258)	(9)	(440,548)	(7)
6200	General and administrative expenses	6.23	(153,978)	(3)	(155,274)	(2)
6300	Research and development expenses	6.23	(95,449)	(2)	(101,390)	(2)
6450	Expected credit impairment losses	4 and 6.21	(21)	-	(28,298)	-
	Total operating expenses		(795,706)	(14)	(725,510)	(11)
6900	Income from operations		(113,971)	(2)	415,591	6
7000	Non-operating income and expenses					
7100	Interest income	4 and 6.24	13,176	-	10,034	-
7010	Other income	4 and 6.24	99,187	2	86,051	1
7020	Other gains and losses	6.24	399,480	7	17,462	1
7050	Finance costs	6.24	(183,527)	(3)	(186,861)	(3)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method	6.7	20,083	-	20,323	-
	Total non-operating income and expenses		348,399	6	(52,991)	(1)
7900	Income before income tax		234,428	4	362,600	5
7950	Income tax expense	4 and 6.26	(38,470)	- 1	(37,937)	(1)
8200	Net income		195,958	3	324,663	4
8300	Other comprehensive income					
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans	4 and 6.25	\$2,279	-	\$5,525	-
8316	Unrealized valuation gains or losses on investments in equity instruments at fair value through other comprehensive income	4, 6.3, and 6.25	29,737	1	4,287	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method — items that will not be	4 and 6.25	8,095	-	(2,746)	-
8349	Income tax related to items that will not be reclassified subsequently	4, 6.25, and 6.26	(473)	-	(1,140)	-
8360	Items that may be reclassified subsequently to profit or loss			-		-
8361	Exchange differences arising on translation of foreign operations	4 and 6.25	30,275	1	(3,131)	-
8367	Unrealized valuation gains or losses on investments in debt instruments at fair value through other comprehensive income	4 and 6.25	44,986	1	(4,127)	-
8370	Share of other comprehensive income of associates accounted for using equity method	4 and 6.25	51	-	(1,454)	-
8399	Income tax related to items that will be reclassified subsequently	6.25m and 6.26	-	-	(3,306)	-
	Other comprehensive income(net of tax)		114,950	3	(6,092)	-
8500	Total comprehensive income		\$310,908	6	\$318,571	4
8600	Net income (loss) attributable to :					
8610	Shareholders of the parent		\$195,060		\$327,211	
8620	Non-controlling interests		898		(2,548)	
			\$195,958		\$324,663	
8700	Total comprehensive income attributable to :					
8710	Shareholders of the parent		\$308,465		\$321,035	
8720	Non-controlling interests		2,443		(2,464)	
			\$310,908		\$318,571	
	Earnings per share(NT\$)	4 and 6.27				
9750	Basic earnings per share		\$0.70		\$1.17	
9850	Diluted earnings per share		\$0.70		\$1.17	

(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, 2024 and 2023

	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, 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	Disposals of equity instruments at fair 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
A1	Balance at January 1, 2024	\$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
D1	Net income, 2024					195,060			195,060	898	195,958
D3	Other comprehensive income, 2024					1,596	30,347	81,462	113,405	1,545	114,950
D5	Total comprehensive income	-	-	-	-	196,656	30,347	81,462	308,465	2,443	310,908
	Appropriation and distribution of earnings in 2023										
B1	Legal reserve			47,067		(47,067)			-		-
B3	Special reserve				17,450	(17,450)			-		-
B5	Cash dividends of common stock					(279,517)			(279,517)		(279,517)
	Other changes in capital surplus										
C5	Equity components - stock options recognized for issue of convertible bonds		75,000						75,000		75,000
Z1	Balance at December 31, 2024	\$2,795,175	\$3,833,804	\$836,334	\$112,608	\$1,175,298	\$15,757	\$(16,555)	\$8,827,421	\$120,846	\$8,948,267

(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, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Code	Item	For the year ended December 31, 2024	For the year ended December 31, 2023
	Cash flows from operating activities :		
A10000	Income before tax	\$234,428	\$362,600
A20000	Adjustments for :		
A20010	Items of income and expenses :		
A20100	Depreciation expenses	711,426	711,179
A20200	Amortization expenses	5,089	4,735
A20300	Expected credit impairment losses	21	28,298
A20400	Net losses (gains) on financial assets and liabilities at fair value through profit or loss	(1,832)	1,650
A20900	Interest expenses	183,527	186,861
A21200	Interest income	(13,176)	(10,034)
A22300	Share of profit or loss of associates and joint ventures accounted for using equity method	(20,083)	(20,323)
A22500	Gains on disposals of property, plant and equipment	(172,414)	(5,471)
A22700	Gains on disposals of investment properties	(46,906)	-
A30000	Net changes in operating assets and liabilities:		
A31130	Increase in notes receivables	(7,450)	(18,005)
A31150	Decrease (increase) in accounts receivables	(95,963)	296,489
A31180	Decrease in other receivables	70,214	100,979
A31200	Decrease in inventories	469,392	117,788
A31240	Decrease (increase) in other current assets	(264,724)	118,014
B06700	Increase in other non-current assets	(190,947)	(64,140)
A32130	Increase (decrease) in notes payables	29,869	(101,020)
A32150	Decrease in accounts payables	(219,031)	(391,344)
A32180	Decrease in other payables	(164,749)	(259,024)
A32230	Increase (decrease) in other current liabilities	(62,395)	81,790
C04300	Decrease in other non-current liabilities	(14,722)	(8,919)
A33000	Cash generated from operations	429,574	1,132,103
A33100	Interests received	13,176	10,034
A33300	Interests paid	(161,380)	(185,138)
A33500	Income tax paid	(96,567)	(104,754)
AAAA	Net cash flows generated from operating activities	184,803	852,245

(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, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Code	Item	For the year ended December 31, 2024	For the year ended December 31, 2023
	Cash flows from investing activities:		
B00010	Disposals of financial assets at fair value through other comprehensive income — non-current	(35,769)	(94,963)
B00020	Disposals of financial assets at fair value through other comprehensive income — current	-	8,229
B00030	Refund of payment for shares from financial assets at fair value through profit or loss	6,939	-
B00040	Acquisitions of financial assets at amortized cost	(242,600)	(3,830)
B00050	Disposals of financial assets at amortized cost	28,318	162,070
B00100	Acquisitions of financial assets at fair value through profit or loss	(21,448)	(6,604)
B00200	Disposals of financial assets at fair value through profit or loss	26,587	1,191
B01900	Disposals of investments accounted for using equity method	-	983
B02700	Acquisitions of property, plant and equipment	(377,157)	(874,435)
B02800	Disposals of property, plant and equipment	266,852	10,973
B03700	Decrease (increase) in guaranteed deposits paid	45,054	(12,075)
B04500	Acquisitions of intangible assets	(2,345)	(5,133)
B05400	Acquisitions of investment properties	(193,673)	-
B05500	Disposals of investment properties	77,293	-
B07100	Increase in prepayments for equipment	(149,017)	(129,337)
B07600	Dividends received	14,717	6,069
B09900	Other investing activities	-	(4,831)
BBBB	Net cash flows used in investing activities	(556,249)	(941,693)
	Cash flows from financing activities:		
C00100	Increase in short-term borrowings	12,536,452	8,635,738
C00200	Decrease in short-term borrowings	(11,876,743)	(8,525,453)
C00500	Increase in short-term notes payables	4,800,000	5,540,000
C00600	Decrease in short-term notes payables	(4,900,000)	(5,600,000)
C01200	Issue of corporate bonds	1,485,452	-
C01600	Increase in long-term borrowings	3,905,989	7,531,964
C01700	Repayments of long-term borrowings	(5,365,673)	(7,304,888)
C03100	Increase (decrease) in guaranteed deposits received	120	(1,000)
C04020	Repayments of principal of lease liabilities	(22,578)	(23,960)
C04500	Cash dividends paid	(279,517)	(447,228)
CCCC	Net cash flows generated from (used in) financing activities	283,502	(194,827)
DDDD	Effects of changes in exchange rate on cash	76,331	(3,241)
EEEE	Net decrease in cash and cash equivalents	(11,613)	(287,516)
E00100	Cash and cash equivalents at the beginning of period	784,936	1,072,452
E00200	Cash and cash equivalents at the end of period	\$773,323	\$784,936

(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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024 amounted to NT\$5,040,611 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, 2024 amounted to NT\$2,432,623 thousand, accounting for 12% 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.

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 -
1120349153

Huang, Zi-Ping

CPA :

Huang, Jing-Ya

March 13, 2025

Hota Industrial Manufacturing Company Limited
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Assets			December 31, 2024		December 31, 2023	
Code	Accounting items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	\$580,730	3	\$644,495	3
1120	Financial assets at fair value through other comprehensive income - current	4 and 6.2	50,041	-	47,785	-
1136	Net gains on financial assets and liabilities at fair value through profit or loss	4 and 6.3	178,383	1	7,991	-
1150	Notes receivables, net	4	4,696	-	10,104	-
1170	Accounts receivables, net	4 and 6.4	2,634,614	13	2,497,323	13
1180	Accounts receivables - related parties, net	4 and 7	11,322	-	36,505	-
1200	Other receivables		18,678	-	84,507	-
130x	Inventories	4 and 6.5	2,432,623	12	2,603,518	13
1470	Other current assets		121,716	-	75,352	-
11xx	Total current assets		6,032,803	29	6,007,580	29
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	4 and 6.13	600	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	4 and 6.2	167,881	1	134,882	1
1550	Investment accounted for using equity method	4 and 6.6	1,417,073	7	1,097,613	6
1600	Property, plant and equipment	4, 6.7 and 8	12,603,183	61	12,752,638	63
1755	Right-of-use assets	4 and 6.19	218,446	1	243,185	1
1760	Investment properties, net	4 and 6.8	193,673	1	30,387	-
1780	Intangible assets	4	5,019	-	7,578	-
1840	Deferred tax assets	4 and 6.23	43,754	-	44,723	-
1900	Other non-current assets	8	53,728	-	93,017	-
15xx	Total non-current assets		14,703,357	71	14,404,023	71
1xxx	Total assets		\$20,736,160	100	\$20,411,603	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, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Liabilities and equity			December 31, 2024		December 31, 2023	
Code	Accounting item	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4 and 6.9	\$2,519,500	12	\$1,876,337	9
2110	Short-term notes payables	4 and 6.10	900,000	5	1,000,000	5
2150	Notes payables		453,720	2	423,851	2
2170	Accounts payables	4 and 7	227,040	1	471,915	2
2200	Other payables	6.11 and 7	268,972	1	483,005	2
2230	Current tax liabilities	4 and 6.23	-	-	97,392	-
2280	Lease liabilities - current	4 and 6.19	8,753	-	11,740	-
2322	Long-term borrowings, current portion	4 and 6.12	1,061,665	5	1,051,669	5
2399	Other current liabilities		10,441	-	11,048	-
21xx	Total current liabilities		5,450,091	26	5,426,957	25
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss - non-current	4 and 6.13	8,250	-	-	-
2530	Bond payables	4 and 6.13	1,414,657	7	-	-
2540	Long-term borrowings	4 and 6.12	4,669,466	23	5,891,818	29
2570	Deferred tax liabilities	4 and 6.23	49,783	-	22,280	-
2580	Lease liabilities - non-current	4 and 6.19	219,827	1	239,775	1
2600	Other non-current liabilities	4	96,665	-	107,300	1
25xx	Total non-current liabilities		6,458,648	31	6,261,173	31
2xxx	Total liabilities		11,908,739	57	11,688,130	56
	Equity					
31xx	Equity					
3100	Capital stock					
3110	Common stock	6.16	2,795,175	13	2,795,175	14
3200	Capital surplus	6.16	3,908,804	19	3,833,804	19
3300	Retained earnings	6.16				
3310	Legal reserve		836,334	4	789,267	4
3320	Special reserve		112,608	1	95,158	-
3350	Unappropriated earnings		1,175,298	6	1,322,676	7
	Total retained earnings		2,124,240	11	2,207,101	11
3400	Other equity		(798)	-	(112,607)	-
3xxx	Total equity		8,827,421	43	8,723,473	44
3x2x	Total liabilities and equity		\$20,736,160	100	\$20,411,603	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, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Code	Accounting items	Note	For the year ended December 31, 2024		For the year ended December 31, 2023	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.17	\$5,040,611	100	\$6,096,868	100
5000	Operating costs	6.5 and 20	(4,433,890)	(88)	(5,045,906)	(83)
5900	Gross profit		606,721	12	1,050,962	17
5910	Realized gains on sales		4,322	-	1,338	-
5950	Gross profit, net		611,043	12	1,052,300	17
6000	Operating expenses					
6100	Sales and marketing expenses	6.20	(492,494)	(9)	(406,533)	(7)
6200	General and administrative expenses	6.20	(86,404)	(2)	(85,832)	(1)
6300	Research and development expenses	6.20	(88,369)	(2)	(99,048)	(2)
6450	Expected credit impairment losses	4 and 6.18	-	-	(24,000)	-
	Total operating expenses		(667,267)	(13)	(615,413)	(10)
6900	Income (loss) from operations		(56,224)	(1)	436,887	7
7000	Non-operating income and expenses					
7100	Interest income	4 and 6.21	8,830	-	6,976	-
7010	Other income	4 and 6.21	44,005	1	46,824	-
7020	Other gains and losses	6.21	215,660	4	20,643	-
7050	Finance costs	6.21	(169,461)	(3)	(161,605)	(3)
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	6.6	182,288	4	11,244	-
	Total non-operating income and expenses		281,322	6	(75,918)	(3)
7900	Income before income tax		225,098	5	360,969	4
7950	Income tax expense	4 and 6.23	(30,038)	(1)	(33,758)	(1)
8200	Net income		195,060	4	327,211	3
8300	Other comprehensive income					
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans	4 and 6.22	325	-	6,187	-
8316	Unrealized valuation gains or losses on investments in equity instruments at fair value through other comprehensive	4 and 6.22	18,831	-	3,338	-
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method	4 and 6.22	18,981	-	(2,906)	-
8349	Income tax related to items that will not be reclassified subsequently	4 and 6.22	(65)		(1,237)	
8360	Items that may be reclassified subsequently to profit or loss			-		-
8361	Exchange differences arising on translation of foreign operations	4 and 6.22	23,349	-	(3,131)	-
8367	Unrealized valuation gains or losses on investments in debt instruments at fair value through other comprehensive	4 and 6.22	44,986	2	(4,126)	-
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method	4 and 6.22	6,998	-	(995)	-
8399	Income tax related to items that will be reclassified subsequently	6.23	-	-	(3,306)	-
	Other comprehensive income(net of tax)		113,405	2	(6,176)	-
8500	Total comprehensive income		\$308,465	6	\$321,035	3
	Earnings per share(NT\$)	4 and 6.24				
9750	Basic earnings per share		\$0.70		\$1.17	
9850	Diluted earnings per share		\$0.70		\$1.17	

(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 Changes in Equity
For the Year Ended December 31, 2024 and 2023

		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, 2023	\$2,795,175	\$3,833,804	\$724,977	\$60,354	\$1,530,514	\$(7,158)	\$(88,000)	\$8,849,666
D1	Net income, 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	<u>\$2,795,175</u>	<u>\$3,833,804</u>	<u>\$789,267</u>	<u>\$95,158</u>	<u>\$1,322,676</u>	<u>\$(14,590)</u>	<u>\$(98,017)</u>	<u>\$8,723,473</u>
A1	Balance at January 1, 2024	\$2,795,175	\$3,833,804	\$789,267	\$95,158	\$1,322,676	\$(14,590)	\$(98,017)	\$8,723,473
D1	Net income, 2024					195,060			195,060
D3	Other comprehensive income, 2024					1,596	30,347	81,462	113,405
D5	Total comprehensive income	-	-	-	-	196,656	30,347	81,462	308,465
	Appropriation and distribution of earnings in 2023								
B1	Legal reserve			47,067		(47,067)			-
B3	Special reserve				17,450	(17,450)			-
B5	Cash dividends of common stock					(279,517)			(279,517)
C5	Other changes in capital surplus								
	Equity components - stock options recognized for issue of convertible bonds		75,000						75,000
Z1	Balance at December 31, 2024	<u>\$2,795,175</u>	<u>\$3,908,804</u>	<u>\$836,334</u>	<u>\$112,608</u>	<u>\$1,175,298</u>	<u>\$15,757</u>	<u>\$(16,555)</u>	<u>\$8,827,421</u>

(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, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Code	Item	For the year ended December 31, 2024	For the year ended December 31, 2023
	Cash flows from operating activities :		
A10000	Income before tax	\$225,098	\$360,969
A20000	Adjustments for :		
A20010	Items of income and expenses :		
A20100	Depreciation expenses	653,879	656,505
A20200	Amortization expenses	4,903	4,560
A20300	Expected credit impairment losses	-	24,000
A20400	Net gains on financial assets and liabilities at fair value through profit or loss	(600)	-
A20900	Interest expenses	169,461	161,605
A21200	Interest income	(8,830)	(6,976)
A21300	Dividend income	(4,205)	-
A22400	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	(182,288)	(11,244)
A22500	Losses on disposal of property, plant and equipment	12,356	1,737
A22700	Gains on disposal of investment properties	(46,906)	-
A23900	Realized gains on sales	(4,322)	(1,338)
A30000	Net changes in operating assets and liabilities :		
A31130	Decrease (increase) in notes receivables	5,408	(11,390)
A31150	Decrease (increase) in accounts receivables	(67,122)	401,954
A31180	Decrease in other receivables	65,832	85,927
A31200	Decrease in inventories	170,895	242,007
A31240	Decrease in other current assets	5,973	88,436
B06700	Increase in other non-current assets	(16,501)	(8,000)
A32130	Increase (decrease) in notes payables	29,869	(101,020)
A32150	Decrease in accounts payables	(244,875)	(338,837)
A32180	Decrease in other payables	(183,757)	(216,059)
A32230	Increase (decrease) in other current liabilities	(607)	10,306
C04300	Increase (decrease) in other non-current liabilities	(9,310)	5,097
A33000	Cash generated from operations	574,351	1,348,239
A33100	Interests received	8,827	7,440
A33300	Interests paid	(141,951)	(160,086)
A33500	Income tax paid	(151,360)	(100,963)
AAAA	Net cash flows generated from operating activities	289,867	1,094,630

(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, 2024 and 2023

Expressed in thousands of New Taiwan Dollars

Code	Item	For the year ended December 31, 2024	For the year ended December 31, 2023
	Cash flows from investing activities:		
B00010	Disposals of financial assets at fair value through other comprehensive income — non-current	(23,361)	(74,771)
B00020	Disposals of financial assets at fair value through other comprehensive income — current	-	1,390
B00030	Refund of payment for shares from financial assets at fair value through profit or loss	6,939	-
B00040	Acquisitions of financial assets at amortized cost	(178,383)	(3,780)
B00050	Disposals of financial assets at amortized cost	7,991	151,719
B01800	Acquisitions of investments accounted for using equity method	(86,657)	(33,515)
B02700	Acquisitions of property, plant and equipment	(375,236)	(835,535)
B02800	Disposals of property, plant and equipment	22,262	2,027
B03700	Increase in guaranteed deposits paid	(1,660)	(10,000)
B04500	Acquisitions of intangible assets	(2,344)	(4,736)
B05350	Acquisition of right-of-use assets	-	(5,122)
B05400	Acquisitions of investment properties	(193,673)	-
B05500	Disposals of investment properties	77,293	-
B07100	Increase in prepayments for equipment	(123,916)	(160,045)
B07600	Dividends received	7,338	6,069
BBBB	Net cash flows used in investing activities	(863,407)	(966,299)
	Cash flows from financing activities :		
C00100	Increase in short-term borrowings	12,329,500	8,308,491
C00200	Decrease in short-term borrowings	(11,686,337)	(8,180,506)
C00500	Increase in short-term notes payables	4,842,836	5,540,000
C00600	Decrease in short-term notes payables	(4,942,836)	(5,600,000)
C01200	Issue of corporate bonds	1,485,452	-
C01600	Increase in long-term borrowings	3,760,032	6,857,970
C01700	Repayments of long-term borrowings	(4,982,740)	(6,948,547)
C03100	Decrease in guaranteed deposits received	(1,000)	(1,000)
C04020	Repayments of principal of lease liabilities	(15,615)	(6,506)
C04500	Cash dividends paid	(279,517)	(447,228)
CCCC	Net cash flows generated from (used in) financing activities	509,775	(477,326)
EEEE	Net decrease in cash and cash equivalents	(63,765)	(348,995)
E00100	Cash and cash equivalents at the beginning of period	644,495	993,490
E00200	Cash and cash equivalents at the end of period	\$580,730	\$644,495

(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 8) Table of Earnings Distribution

Hota Industrial MFG. Co., Ltd.
Earning Distribution statement of the year 2024

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 9) Comparison table of the “Articles of association” before and After version.

Article	After	Before	Explanation
27	If the Company makes annual profits, it shall allocate no less than 2% for employee remuneration (<u>A minimum of 35% of the total employee compensation under this item shall be allocated to frontline employees</u>) 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 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. 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 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. 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.	Amended in accordance with FSC Order No. 1130385442, requiring listed and OTC companies to include in their Articles of Incorporation a provision mandating the allocation of a designated percentage of annual profits to adjust salaries or distribute compensation to frontline employees.
<u>28</u>	Matters not stipulated in this Articles of Incorporation shall be handled in compliance with the Company Act and other laws and regulations.	Matters not stipulated in this Articles of Incorporation shall be handled in compliance with the Company Act and other laws and regulations.	Amendment items.
29	This Article of Incorporation was set up on October 17, 1972. (...Omitted...); 45th amendment was made on June 13, 2024; <u>the 46th amendment was made on June 10, 2025.</u>	This Article of Incorporation was set up on October 17, 1972. (...Omitted...); 45th amendment was made on June 13, 2024.	Amendment number and date.