

Stock Code : 1810

Hocheng Corporation

2023
General Shareholders Meeting

Meeting Handbook

No. 135, Houzhuang Street, Bade District, Taoyuan City
(Hocheng Third Factory Auditorium)

June 21,2023

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Hocheng Corporation
2023 Regular Shareholders Meeting
Meeting Agenda

Time: Jun.21, 2023 (Wednesday) at 9 am

Place: No. 135, Houzhuang Street, Bade District, Taoyuan City (Hocheng Third Factory Auditorium)

- I. Report on Attending Shares Call Meeting to Order**
- II. Seating of the Chairman**
- III. Chairman's Speech**
- IV. Speeches by the Chief Executive and Guests**
- V. Matters for Report**
 - 1. The 2022 Business Report
 - 2. The 2022 Audit Committee review of the Annual Accounting Final Report
 - 3. Report on Allocation of 2022 Remuneration to Employees and Board of Directors
 - 4. Report on External Endorsements and Guarantees
 - 5. Report on Loaning Funds to Others
 - 6. Report on Directors' and Managing Personnels' Performance Evaluation Results and Salary Reports
 - 7. Report on Amending the Procedures of the Board of Directors of the Company
- VI. Matters for Ratification**
 - 1. Adoption of proposal of 2022 Business Report and Annual Accounting Final Report
 - 2. Adoption of proposal of 2022 surplus distribution proposal
- VII. Matters for Discussion**
 - 1. Amendment to Certain Articles of the Company's Shareholders' Meeting Rules.
- VIII. Temporary Motions**
- IX. Adjournment**

Rules of Procedure for Shareholders' Meeting of Hocheng Corporation

- Article 1 To establish a strong governance system and sound supervisory capabilities for this 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.
- Article 2 The rules of procedure for the Company's shareholders meeting shall comply with the provisions of these rules, unless otherwise provided by laws, regulations or the articles of incorporation.
- Article 3 The shareholders meeting of the company shall be convened by the board of directors unless otherwise provided by laws and regulations.
- This Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, 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, demerger of the company, or any matters under the first paragraph of Article 185. The main content shall be listed and explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The main content shall be uploaded on the website designated by the securities authority or the company, and its website should be included in the notice.
- 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. Shareholders who hold more than one percent of the total number of issued shares may submit a proposal to the company's general 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. However, the shareholders' proposal is a proposal to urge the company to promote the public interest or fulfill its social responsibilities, and the board of directors may still include it in the proposal. 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.
- Prior to the book closure date before a regular shareholders meeting is held, this 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, this Corporation 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.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this 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 this Corporation 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 this Corporation, 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 this Corporation 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.

Article 5 The venue for a shareholders meeting shall be the premises of this 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.

Article 6 This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

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

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.

This Corporation 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.

This Corporation 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 a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. The number of representatives appointed by juristic person is limited to the number of general directors proposed to be elected by the current shareholders meeting. When juristic person shareholders appoint two or more representatives to attend the shareholders meeting, only one person may speak.

Article 7 If the 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 asks for leave or is unable to exercise his powers for any reason, the vice chairman shall act in

place of the chairperson. If there is no vice chairperson or vice chairperson also asks for leave or for any reason is unable to exercise the powers, the chairman of the board shall appoint one managing director to act as chair; if there is no managing directors, one of the directors shall be appointed to act as chair; if the chairman 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, 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.

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

Article 8 This Corporation, 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.

Article 9 Attendance of the shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

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

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

Article 10 If the shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda

(including temporary motions and amendments to the original proposal). The meeting shall be conducted 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.

Article 11 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.

Article 12 The voting at a shareholders meeting shall be calculated based on 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 this Corporation, 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.

Article 13 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 this Corporation 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 this Corporation 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 this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, 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 this Corporation'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 this Corporation.

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.

Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Company, 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.

Article 15 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 Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Company. The resolution method in the preceding paragraph, through the chairman's consultation with shareholders and no objection to the proposal from shareholders, shall be recorded "The proposal was passed without objection after consultation by the chairman"; however, when shareholders disagree with the proposal, the method of voting and the number of voting rights shall be stated as well as proportion of weight.

Article 16 On the day of a shareholders meeting, this Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairman may direct proctors or security personnel to help maintain order in the venue. When proctors or security personnel help maintain order, they shall wear an armband or identification card with the word "Proctor".

At the place of a shareholders meeting, 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. If a shareholder violates the rules of procedure and defies the chair's correction, obstructing the progress of the meeting and refusing to heed calls to stop the chair may direct the or security personnel to escort the shareholder from the meeting.

Article 18 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.

Article 19 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

Matters for Report

1. The 2022 Business Report

Hocheng Corporation The 2022 Business Report

Dear shareholders, ladies and gentlemen:

On behalf of the company's management team, I sincerely welcome all shareholders to attend the Company's 2023 General Shareholders' Meeting. Looking back on the past year, with the support of the board of directors and the concerted efforts of all colleagues, the net operating income attributable to the parent company in 2022 was NT\$ 3,400 million, with an reduce by of NT\$224 million from NT\$ 3,624 million in 2021. The report on the operating status of the company in 2022 is as follows:

(1) Results of the Implementation of the Business Plan

Unit: Million of NT\$

Item \ Year ended	Year ended Dec.31,2022 Amount	Year ended Dec.31,2021 Amount	Increase (decrease) amount	Increase (decrease) %
Consolidated net operating income	5,004	5,313	(309)	(5)
Consolidated operating margin	1,309	1,357	(48)	(3)
Consolidated operating net profit	103	67	36	53
Consolidated non-operating income and expenses	148	1,913	(1,765)	(92)
Net (loss) net profit after combined tax	158	1,746	(1,588)	(90)
Net (loss) net profit per share (Unit: NT\$)	0.46	3.33	(2.87)	(86)

(2) Implementation of the financial forecast in 2022:

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the company does not need to disclose the 2022 financial forecast information, so there is no 2022 budget execution analysis data.

(3) Analysis of Financial income and expenditure and profitability (according to the Consolidated Financial Report):

Year ended		financial analysis	
Item		Year end2022	Year end2021
Financial structure	Liabilities to assets ratio (%)	34.02	35.84
	Percentage of long-term funds in property, plant and equipment (%)	195.09	225.94
Profitability	Return on assets (%)	1.86	16.12
	Return on shareholders' equity (%)	2.28	26.23
	Ratio of net profit before tax to paid-in capital (%)	8.25	53.51
	Net profit rate (%)	3.16	32.86
	Net profit (loss) per share (yuan)	0.46	3.33

With prospect to the year 2023, the global economy receives impacts by the COVID-19 variant pandemic, US-China trade war and wars between Russia and Ukraine, while the domestic circumstances is influenced by negative factors such as rise in price of real property, raw materials price in continuous soar, measures for controlling real property speculations by the government, stress from inflation, etc. To face the changeful economy and market, the Company expects to grow in stability in the current scope of bathroom/toilet equipment market meanwhile developing new target audiences and new markets. The Company's management and development focuses are as follows:

1. Sales Channel Integration and Development: In the past two years, housing prices have been continuously rising due to the increase in labor and raw material costs. However, the rise in interest rates in the second half of the year has gradually affected people's willingness to buy houses. The average land rights reform bill may also be put on the legislative agenda, and if passed, it will affect the future sales speed of presale houses. The company has a very high market share in the new house sales market, which will affect the company's contract volume and future sales volume in the presale housing market. The company will respond early, integrate different channels, and make appropriate adjustment and distribution to improve the overall performance.
2. New Product and Technology Development: In recent years, the Company has launched the Haifin series of bathroom products and LAZULI carbon fiber flippers, which have been recognized by the domestic product quality awards. In the future, we need to consider consumer needs and continuously develop products that meet market demand. In recent years, we have developed technology ceramics, composite materials, and electric clothes dryers. Not only have they achieved actual performance, but they have also accumulated many unique technologies. We will continue to utilize and refine these technologies to develop more products for different industries, expand the product range, and provide consumers with better usage options.
3. Supply Chain Integration and Adjustment: The outbreak of the COVID-19 pandemic and the US-China trade conflict have led to frequent crises of global supply chain disruptions. The supply chain is no longer as stable as expected. In response to the crisis of supply chain interruption at any time, we need to think about how to quickly transfer and adjust from raw materials, components to finished product stages, and actively make quick changes to avoid major operational losses caused by supply chain interruptions.
4. Towards ESG Goals: The Company completed its first "Sustainability Report" in 111 years, showing the company's considerable efforts and achievements in environmental, social, and corporate governance. Facing the future, we need to further implement environmental protection and fulfill our responsibilities to all stakeholders. Adhering to the corporate culture thinking of coexisting with the Earth, sharing with humans, co-creating with society, and benefiting everyone, we actively improve the shortcomings to comply with future energy-saving and carbon-reducing environmental regulations and fulfill the Company's social responsibilities.

This year marks the 92st anniversary of Hocheng. For growth in steadiness, the Company will conduct market expansion targeting the senior citizens, health-concerned groups, needs for pandemic prevention and supply of dental materials. The Company will play its role in facilitating its customers in the building of living space with safety, health, and comfort, so as to reach a new height in revenue and develop into an "evergreen" enterprise with hundreds of years of operations.

We appreciate the attendance as well as the guidance by all shareholders. Our employees will strive harder to generate better performance and sustain the Company's steady growth and gains.

Respectfully, good health and all the best

Chairman: Chiu Li-Chien

Manager: Chen Shih-Chieh

Accounting Supervisor: Luo Yue-Ying

2. The Audit Committee's Review of the annual accounting final report for the year ended Dec. 31, 2022

**Hocheng Corporation
Audit Committee Review Report**

Hereby

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm KMPG was retained to audit Financial Statements (parent company only and consolidated financial statements) of the Company and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of YEM CHIO CO., LTD. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely yours,

2022 Annual General Meeting of Hocheng Corporation.

Chairman of the Audit Committee: Wang Cheng-Wei, May 9, 2023

Independent Auditors' Report Translated from Chinese

To the Board of Directors of Hocheng Corporation:

Audit opinion

We have audited the consolidated financial statements of Hocheng Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to paragraph Other Matters), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Hocheng Corporation and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Based on our audits and the reports of other auditors, 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 the most significance in our audit of the 2022 consolidated financial statements of the current period for the Group. 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. We have determined the matters described below to be the key audit matters to be communicated in our report:

I. Accounts receivable valuation

Refer to Note 4(7) for the accounting policy of accounts receivable valuation, Note 5(1) for accounting assumption, judgments and estimation uncertainty of accounts receivable and Note 6(4) for the disclosure of the valuation of accounts receivable to the consolidated financial statements.

Description of key audit matters:

The Group's sales and accounts receivable are mainly concentrated in Taiwan, China, and the Philippines. The valuation of allowance for doubtful accounts involves a subjective judgment of the management and, thus, needs significant attention in our audit.

How the matter was addressed in our audit:

Our and other CPAs' audit procedures for the above key audit matters included assessing whether the impairment of accounts receivable is under established accounting policies of Hocheng Corporation and its significant subsidiaries, obtaining an aging analysis form and analyzing the aging of accounts receivable overdue and the accuracy of the sample review of the aging analysis forms, performing a test of details of past due receivables is significant,

understanding the rationale for any identified substantial overdue and assessing the adequacy of the Company's recognition, and evaluating whether the disclosure of receivable aging and changes of allowance for accounts receivable is appropriated for the management of the Group.

II. Valuation of inventories

Refer to Note 4(8) and Note 5 (2) for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information on the estimation of the valuation of inventory is disclosed in Note 6(6) of the consolidated financial statements.

Description of key audit matters:

Inventories are measured at the lower of cost or net realizable value in the consolidated financial statements. The Group's products are mainly sold to consumers through distributors and big box stores. The Group faces competition from its competitors with homogeneous products and low-price strategies. The risk of inventory costing might exceed its net realizable value due to obsolete products or inconsistency with consumers' preferences.

How the matter was addressed in our audit:

Our and other CPAs' audit procedures for the above key audit matters included understanding the accounting policies of the Group for impairment loss provision, examining whether inventory write-down or obsolescence allowance had been provided for inventories according to the Company's existing accounting policies (including implementing sampling procedures, verifying relevant forms and certificates to verify and accuracy of its calculation), and evaluating the adequacy of the Group's disclosures related to inventory write-down or obsolescence allowance.

Other Matters

In the Group's consolidated financial statements, we did not audit the financial statements of certain subsidiaries. Those financial statements were audited by other auditors. Therefore, our opinion expressed for the abovementioned consolidated financial statements, insofar as they relate to the financial statements of such subsidiaries, is based solely on the reports of other CPAs. Total assets of the abovementioned subsidiaries accounted for 15% and 16% of the consolidated total assets as of December 31, 2022 and 2021, respectively; their net operating revenue accounted for 7% and 10% of the consolidated net operating revenue for the years ended December 31, 2022 and 2021, respectively.

Hocheng Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

1. Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion of the Group.

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, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the 2022 consolidated financial statements of the Group and are, therefore, key audit matters. We describe these matters in our auditor's 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.

KPMG

Accountants:

No. of	Jin-Guan-Zheng-Shen-Zhi
approval and	No.1080303300
certification	Jin-Guan-Zheng-Liu-Zi
from the	No.0940100754
competent	
authority of	
securities	
March 14, 2023	

Independent Auditors' Report Translated from Chinese

To the Board of Directors of Hocheng Corporation:

Audit opinion

We have audited the consolidated financial statements of Hocheng Corporation, which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to paragraph Other Matters), the accompanying parent company only financial statements present fairly, in all material respects, the consolidated financial position of Hocheng Corporation and its subsidiaries as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Parent-Only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Based on our audits and the reports of other auditors, 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 the most significance in our audit of the parent company only financial statements of the current period for the Company. 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 issues. We have determined the matters described below to be the key audit matters to be communicated in our report:

I. Valuation of inventories

Refer to Note 4(7) and Note 5 for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information on the estimation of the valuation of inventory is disclosed in Note 6(6) of the parent company only financial statements.

Description of key audit matters:

Inventories are measured at the lower of cost or net realizable value in the financial statements. The Company's products are mainly sold to consumers through distributors and big box stores. The Company faces competition from its competitors with homogeneous products and low-price strategies. The risk of inventory costing might exceed its net realizable value due to obsolete products or inconsistency with consumers' preferences.

How the matter was addressed in our audit:

Our audit procedures for the above key audit matters included understanding the accounting policies of the Company for impairment loss provision, examining whether inventory write-down or obsolescence allowance had been provided for inventories according to the Company's existing accounting policies (including implementing sampling procedures, verifying relevant forms and certificates to verify and accuracy of its calculation), and evaluating the adequacy of the Company's disclosures related to inventory write-down or obsolescence allowance.

II. Investments accounted for using the equity method

Refer to Notes 4(8) and (9) for the accounting policy of investment accounted for using the equity method. Information on investment accounted for using the equity method and the share of gains from associates and joint ventures recognized by using the equity method is disclosed in Note 6(7) of the parent company only financial statements.

Description of key audit matters:

The amount of investments accounted for using the equity method of Hocheng Corporation amounted to NT\$3,483,908 thousand, accounting for 42% of the total assets of Hocheng Corporation; therefore, investments accounted for using the equity method are included as a matter that requires close attention.

How the matter was addressed in our audit:

The audit process we perform for the above key audit matter includes providing audit instructions to and communicating with the audit staff of other component entities, acquiring the financial statements of the component entities, performing a check calculation for the correctness of the recognized investment amount under the equity method and attributable period, and assessing whether the management has properly disclosed the investment under the equity method.

Other Matters

For investment accounted for by using the equity method included in the Company's financial statements, we did not audit the financial statements of certain companies. Those financial statements were audited by other auditors. Therefore, our opinion expressed for the abovementioned financial statements, insofar as they relate to the financial statements of such companies, is based solely on the reports of other CPAs. Investment accounted for by using the equity method of the abovementioned investees accounted for 6% and 7% of total assets as of December 31, 2022 and 2021, respectively; the share of gains or losses from subsidiaries, associates, and joint ventures accounted for (59)% and 79% of net profit before tax for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent-Only Financial 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 the Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Parent-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether or not the parent company only financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists in the parent company only financial statements. Misstatements can arise from fraud or error. They 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-only financial statements.

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

1. Identified and assessed the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the 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 investees accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion of the Company.

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, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the 2022 parent company only financial statements of the Group and are, therefore, key audit matters. We describe these matters in our auditor's 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.

KPMG

Accountants:

No. of	Jin-Guan-Zheng-Shen-Zhi
approval and	No.1080303300
certification	Jin-Guan-Zheng-Liu-Zi
from the	No.0940100754
competent	
authority of	
securities	
March 14, 2023	

III. Report on the remuneration distribution of employees and directors in 2022.

1. Issued in accordance with Article 21 of the Articles of Incorporation of the Company.
2. The company's profit in 2022 is NT\$ 226,292,641, distributed respectively:
 - (1) Employee' remuneration is NT\$ 14,920,394 in cash dividends.
 - (2) Directors' remuneration is NT\$ 7,460,197 in cash dividends.

IV. Report on External Endorsement and Guarantee:

As of the year ended Dec. 31, 2022, the total amount of endorsements and guarantees to domestic and overseas subsidiaries of the company is NT\$ 413,313 thousand. The details are as follows:

1. HCG (Philippines): NT\$229,053 thousand (US\$4,800 thousand and PHP 150,000 thousand).
2. HCG (China): NT\$184,260 thousand (USD6,000 thousand).

V. Report on f Loaning Funds to Others:

As of the year ended Dec. 31, 2022, the company's capital loans domestic and overseas subsidiaries totaled NT\$0.

VI. Revised Report on the Board Meeting Procedures of the Company

1. In accordance with the amendments to the "Regulations Governing the Board Meeting Procedures of Public Companies," the contents of these procedures have been revised.
2. Please refer to the amendment comparison table based on the relevant provisions. (Please see page 43 of this manual.)

VII. Report on Directors and managing Personnels' performance evaluation results and salary and remuneration:

1. Results of performance evaluation:

The operation of the board of directors does abide by the rules of board of directors and relevant laws and regulations and supervises the operation of the company and the various potential risks that the company faces and maintains good interaction with the management to give full play to the functions of the board of directors. Managers all have relevant experience and expertise in management and business, and at the same time demonstrate a considerable level in various performance indicators.
2. Explanation of the relevance and rationality of profits and losses after tax and changes in remuneration:
 - (1) Remuneration to the directors based on the degree of participation in the company's operations and contribution value, while considering the level of the inter-bank market.
 - (2) Directors' remuneration is in accordance with Article 21 of the company's articles of association: If the company's annual final accounts are profitable, the remuneration of employees and directors shall be provided separately. The director's remuneration rate is set at an annual profit of 3% as the upper limit. In 2022, the profit will be NTD, and 3% of director's remuneration will be NTD7,460,1976.
 - (3) The relevant remuneration received by directors and employees is NTD 6,555,600 in 2021, and it is reasonable that it is NTD 6,555,600 in 2022.
 - (4) The business execution expenses of the three independent directors in 2022 will be NTD 877,908. According to the company's independent directors' responsibilities and rules, they will not participate in the distribution of directors' remuneration.
 - (5) The company's operating performance and personal work performance are related to the manager's salary and bonus. Managerial personnel attained certain level of performance in all aspects, so their salary is objectively reasonable.

Matters for Ratification

Subject 1: Adoption of the 2022 business report and accounting final report. (Provided by the board of directors)

Explanation: The company's 2022 consolidated and individual financial report was completed by

accountants Linda Chiang and Calvin Chiang from KPMG and issued an audit report. The business report has been reviewed by the audit committee, and it is deemed that there is no discrepancy, and it is submitted for recognition.

(Please refer to page 7 to page 8, page 9 to page 17 and page 27 of this manual to page 36)

Resolution:

Subject 2: Adoption of the Proposal for Distribution of 2022 Profits. (Provided by the board of directors)

Explanation:

1. The company's 2022 financial statements are managed by KPMG's accountant Linda Chiang and accountant Calvin Chiang have completed the audit, and the 2022 after-tax surplus will be NT\$ 157,290,246. 10% of the statutory surplus reserve is set aside in NT\$ 22,910,303 in accordance with the company's articles of association. The distributable surplus is NT\$ 1,514,475,242 at the end of the period, proposed to be available for distribution in 2022. Proposed distribution of shareholder cash dividends of NT\$60,655,992 (for every surplus share NT\$ 0.2), calculated until one NTD, rounding, the total distribution of the abnormal amount of less than one NTD number, included in the company's other income (see the surplus distribution table, please refer to section of this manual page 37).
2. After this case is passed by the shareholders' meeting, the chairman is authorized to set the ex-dividend base date, date of issuance and other related matters.
3. If the company subsequently bought back shares of the company, transferred, cancelled, or cooperated with other laws and regulations, affect the number of shares outstanding, and the relevant dividend amount or the adjustment of the dividend rate. The shareholders' meeting authorizes the board of directors to handle it with full authority.
4. This proposal was reviewed and approved by the Audit Committee.
5. Call for recognition.

Resolution:

Matters for Discussion

Proposal 1: Amendments to some provisions of the rules of procedure of the shareholders' meeting of the company

Explanation:

1. According to the announcement of Taiwan Stock Exchange Co., Ltd. on March 17, 2023, Taiwan Zhengzhi Zi No. 1120004167 and on March 8, 2022, Taizheng Zhizi No. 1110004250, the "Rules of Procedures for the Shareholders' Meeting of ○○ Co., Ltd." Refer to the example.
2. This proposal has been reviewed and approved by the audit committee of the Company.
3. Please refer to the comparison table for these Procedures before and after amendment (Please see Pages 49~68 of this Meeting Agenda).
4. Requests for Discussion.

Resolution:

Temporary motions

Adjournment

For the years ended December 31, 2022 and 2021

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HOCHENG CORPORATION AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(21))	\$ 5,004,444	100	5,313,319	100
5000	Operating costs (Note 6(6))	3,695,789	74	3,955,952	75
5950	Operating gross profit	1,308,655	26	1,357,367	25
	Operating expenses:				
6100	Sales and marketing expenses	725,026	15	744,637	14
6200	General and administrative expenses	353,025	7	414,969	8
6300	Research and development expenses	111,059	2	131,188	2
6450	Expected credit impairment losses (reversal gains)	17,012	-	(102)	-
6300	Subtotal	1,206,122	24	1,290,692	24
6900	Net profit	102,533	2	66,675	1
	Non-operating income and expenses: (Note 6(7) and (23))				
7100	Interest income	5,689	-	2,616	-
7010	Others	260,346	5	157,294	3
7020	Other gains and losses	(66,328)	(1)	(29,609)	(1)
7050	Finance costs	(50,848)	(1)	(54,928)	(1)
7229	Gain on disposal of non-current assets classified as held for sale	-	-	1,836,843	35
7370	Share of gains of associates and joint ventures recognized by using the equity method	(1,162)	-	347	-
	Subtotal	147,697	3	1,912,563	36
	Net profits before tax	250,230	5	1,979,238	37
7950	Less: Income tax expenses (Note 6(18))	92,098	2	233,311	4
	Net profits for the period	158,132	3	1,745,927	33
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	81,243	1	(10,886)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(350,306)	(7)	295,970	5
8349	Income tax related to items that will not be reclassified	(16,398)	-	1,214	-
	Total amount of items that will not be reclassified to profit or loss	(285,461)	(6)	286,298	5
8360	Items that may be reclassified to profit or loss subsequently				
8361	Exchange differences on translation of foreign operations	55,876	1	(68,418)	(1)
8370	Share of other comprehensive income of associates and joint ventures under the equity method	(4,640)	-	(3,062)	-
8399	Income tax related to items that may be reclassified	-	-	-	-
	Total amount of items that may be reclassified to profit or loss subsequently	51,236	1	(71,480)	(1)
8300	Other comprehensive income for the year	(234,225)	(5)	214,818	4
8500	Total comprehensive income for the period	<u>\$ (76,093)</u>	<u>(2)</u>	<u>1,960,745</u>	<u>37</u>
	Net profits attributable to:				
8610	Owner of the parent company	\$ 157,290	3	1,224,801	23
8620	Non-controlling interests	842	-	521,126	10
		<u>\$ 158,132</u>	<u>3</u>	<u>1,745,927</u>	<u>33</u>
	Comprehensive income attributable to:				
8710	Owner of the parent company	\$ (72,192)	(2)	1,440,561	27
8720	Non-controlling interests	(3,901)	-	520,184	10
		<u>\$ (76,093)</u>	<u>(2)</u>	<u>1,960,745</u>	<u>37</u>
	Earnings per share (NT\$) (Note 6(20))				
9750	Basic earnings per share (NT\$)	<u>\$ 0.46</u>		<u>3.33</u>	
9850	Diluted earnings per share (NT\$)	<u>\$ 0.45</u>		<u>3.28</u>	

HOCHENG CORPORATION AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

	Equity attributable to owners of the parent company									
	Capital stock			Retained earnings			Other Components of Equity			
							Unrealized profit and loss on the	Exchange differences on translation of foreign operations	Treasury stock	Total equity attributable to owners of the parent company
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings		financial assets measured at fair value through other comprehensive income			Non-controlling interests
Balance at January 1, 2021										
Net profits for the period	-	-	-	-	1,224,801	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(10,292)	(69,411)	295,463	-	-	-
Total comprehensive income for the period	-	-	-	-	1,214,509	(69,411)	295,463	-	-	-
Earnings distribution and appropriation:										
Legal reserve	-	-	13,188	-	(13,188)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(73,971)	-	-	-	-	-
Other changes in capital reserve	-	185	-	-	-	-	-	-	-	-
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(18,117)	-	18,117	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(479,246)	(479,246)
Balance as of December 31, 2021	3,698,536	13,478	861,032	458,116	1,562,548	(59,247)	737,180	(16,582)	7,255,061	104,234
Net profits for the period	-	-	-	-	157,290	-	-	-	157,290	842
Other comprehensive income for the year	-	-	-	-	62,465	58,063	(350,009)	-	(229,481)	176
Total comprehensive income for the period	-	-	-	-	219,755	58,063	(350,009)	-	(72,191)	1,018
Earnings distribution and appropriation:										
Legal reserve	-	-	119,639	-	(119,639)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(73,971)	-	-	-	(73,971)	-
Changes in the net equity of subsidiaries recognized using the equity method	-	1,617	-	-	-	-	-	-	1,617	-
Other changes in capital reserve	-	128	-	-	-	-	-	-	128	-
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	9,348	-	(9,348)	-	21	-
Changes in non-controlling interests	-	-	-	-	-	-	-	3,121	(44,589)	(41,468)
Capital reduction in cash	(665,736)	-	-	-	-	-	-	-	(665,736)	-
Balance at December 31, 2022	3,032,800	15,223	980,671	458,116	1,598,041	(1,184)	377,823	(13,461)	6,448,029	60,663

HOCHENG CORPORATION AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit before tax from continuing operations	\$ 250,230	1,979,238
Net income before tax		
Adjustments to reconcile profit (loss)		
Depreciation	221,376	222,618
Amortization expense	9,501	9,234
Expected credit impairment losses (reversal gains)	17,012	(102)
Net loss on financial assets at fair value through profit or loss	2,273	2,979
Interest expenses	50,848	54,928
Interest income	(5,689)	(2,616)
Dividend income	(161,554)	(66,809)
Share of losses (gains) of associates and joint ventures recognized by using the equity method	1,162	(347)
Gains on disposal and scrapping of property, plant and equipment	(1,441)	(3,173)
Gains on disposal of right-of-use assets	(186)	(312)
Gain from disposal of non-current assets	-	(1,836,843)
Reversal of allowance for sales returns and discounts	<u>(1,778)</u>	<u>(738)</u>
Total items of income and expenses	<u>131,524</u>	<u>(1,621,181)</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes receivable	(6,473)	(76,369)
Accounts receivable	150,483	18,178
Other receivables	(23,449)	(28,805)
Inventory	(288,602)	(4,548)
Other current assets	<u>2,713</u>	<u>(3,835)</u>
Total net changes in assets related to operating activities	<u>(165,328)</u>	<u>(95,379)</u>
Net changes in liabilities related to operating activities		
Notes payable	(48,962)	43,808
Accounts payable	(27,516)	59,804
Other payables	(80,465)	79,128
Other current liabilities	(9,893)	10,111
Net confirmed benefit debt	<u>(18,420)</u>	<u>(35,877)</u>
Total net changes in liabilities related to operating activities	<u>(185,256)</u>	<u>156,974</u>
Total net changes in assets and liabilities related to operating activities	<u>(350,584)</u>	<u>61,595</u>
Total item of adjustments	<u>(219,060)</u>	<u>(1,559,586)</u>
Cash inflows generated from operations	31,170	419,652
Interest received	5,689	2,616
Dividends received	161,554	66,809
Interest paid	(50,848)	(54,928)
Income tax paid	<u>(42,431)</u>	<u>(229,460)</u>
Net cash inflows from operating activities	<u>105,134</u>	<u>204,689</u>

HOCHENG CORPORATION AND SUBSIDIARIES
Consolidated Statement of Cash Flows (cont'd)
For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(21,574)	(102,579)
Disposal of financial assets measured at fair value through other comprehensive income	49,779	164,166
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	48,713
Acquisition of financial assets at fair value through profit or loss	(125,766)	(169,247)
Disposal of financial assets at fair value through profit or loss	85,395	142,634
Acquisition of investments accounted for under the equity method	(5,332)	(5,026)
Proceeds from disposal of non-current assets classified as held for sale	-	1,839,109
Acquisition of property, plant and equipment	(239,795)	(85,674)
Proceeds from disposal of property, plant and equipment	4,541	7,253
Refundable deposits	30,035	7,713
Acquisition of intangible assets	(9,298)	(2,192)
Other non-current assets	<u>17,343</u>	<u>(11,569)</u>
Net cash outflows (inflows) from investing activities	<u>(214,672)</u>	<u>1,833,301</u>
Cash flows from financing activities:		
Short-term borrowings	(492,514)	(126,373)
Short-term notes payable	-	(10,000)
Increase in long-term loans	-	16,935
Decrease in long-term loans	(110,386)	(198,828)
Guarantee deposits	(50)	867
Repayment of principal of lease liabilities	(31,784)	(29,896)
Cash dividends paid	(73,623)	(73,971)
Capital reduction in cash	(662,615)	-
Changes in non-controlling interests	<u>(40,022)</u>	<u>(479,246)</u>
Net cash outflows from financing activities	<u>(1,410,994)</u>	<u>(900,512)</u>
Effect of exchange rate changes on cash and cash equivalents	24,134	(30,062)
Net increase (decrease) in cash and cash equivalents during the period	(1,496,398)	1,107,416
Cash and cash equivalents at beginning of year	<u>2,162,265</u>	<u>1,054,849</u>
Cash and cash equivalents at end of year	<u><u>\$ 665,867</u></u>	<u><u>2,162,265</u></u>

Hocheng Corporation
Balance Sheet

For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

		2022.12.31		2021.12.31				2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%		
Assets											
Current assets:											
1100	Cash and cash equivalents (Note 6(1))	\$	140,275	2	1,382,009	14					
1110	Current financial assets at fair value through profit or loss (Note 6(2))		87,474	1	60,014	1	2100	Short-term borrowings (Notes 6(12))	\$	330,000	4
1151	Notes receivable (Notes 6(4) and 7)		407,928	5	378,609	4	2110	Short-term notes and bills payable (Notes 6(13))		105,000	1
1170	Accounts receivable, net (Notes 6(4) and 7)		463,159	6	637,999	6	2150	Notes payable		17,610	-
1200	Other receivables, net (notes 6(e))		19,264	-	7,809	-	2160	Notes payable - Related parties (note 7)		39,037	-
1210	Other receivables - Related parties (notes 6(e) and 7)		24,920	-	25,873	-	2171	Accounts payable		207,323	3
130X	Inventories, net (Note 6(6) and 7)		1,222,784	15	1,009,416	10	2180	Accounts payable - Related parties (note 7)		56,131	1
1470	Other current assets		74,183	1	91,022	1	2200	Other payables		301,734	4
			2,439,987	30	3,592,751	36	2220	Other payables - Related parties (note 7)		18,763	-
Non-current assets:											
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(3))		526,223	6	811,428	8	2250	Debt allowance - Current (Note 6(16))		10,033	-
1550	Investments accounted for using the equity method, net (Note 6(7))		3,483,908	42	3,632,531	36	2280	Lease liabilities - Current (Note 6(15))		57,663	1
1600	Property, plant and equipment (Notes 6(8) and 8)		1,182,769	14	1,187,862	12	2300	Other current liabilities		109,804	1
1755	Right-of-use assets (Note 6(9))		175,338	2	223,594	2	2320	Long-term liabilities due within one year (Notes 6(14))		80,000	1
1760	Investment property, net (Note 6(10) and 8)		427,455	5	433,660	5				1,333,098	16
1780	Intangible assets (Note 6(11))		19,594	-	23,524	-		Non-current liabilities:			20
1840	Deferred income tax assets (Note 6(19))		6,061	-	23,051	-	2540	Long-term borrowings (Notes 6(14))		440,000	5
1920	Guarantee deposits paid (Note 8))		36,474	-	65,405	1	2570	Deferred income tax liabilities (Note 6(19))		14,389	-
1975	Net defined benefit assets - Non-current (Note 6(18))		59,580	1	-	-	2580	Lease liabilities - Non-current (Note 6(15))		123,130	2
1990	Other non-current assets - Others (Note 8)		19,842	-	30,026	-	2640	Net defined benefit liabilities - Non-current (Note 6(18))		-	-
			5,937,244	70	6,431,081	64	2645	Guarantee deposits		18,585	-
										596,104	7
								Total liabilities		1,929,202	23
Equity (Note 20)):											
	Capital stock	3100									27
	Capital surplus	3200									
	Retained earnings	3300									
	Other equity	3400									
	Treasury stock	3500									
	Total equity										

Hocheng Corporation
Statement of Comprehensive income
For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(22) and 7)	\$ 3,400,227	100	3,624,360	100
5000	Operating costs (Note 6(6) and 7)	<u>2,462,573</u>	<u>72</u>	<u>2,632,283</u>	<u>73</u>
5900	Gross profit before adjustment	937,654	28	992,077	27
5910	Less: Unrealized sales gains or losses	7,060	-	5,541	-
5920	Add: Realized sales gains or losses	<u>5,541</u>	<u>-</u>	<u>5,034</u>	<u>-</u>
5950	Operating gross profit	<u>936,135</u>	<u>28</u>	<u>991,570</u>	<u>27</u>
	Operating expenses:				
6100	Sales and marketing expenses	508,883	15	537,476	15
6200	General and administrative expenses	164,018	5	191,777	5
6300	Research and development expenses	100,792	3	110,593	3
6450	Expected credit impairment losses	<u>221</u>	<u>-</u>	<u>1,175</u>	<u>-</u>
6300	Subtotal	<u>773,914</u>	<u>23</u>	<u>841,021</u>	<u>23</u>
6900	Operating profit	<u>162,221</u>	<u>5</u>	<u>150,549</u>	<u>4</u>
	Non-operating income and expenses:				
7100	Interest income (Note 6(24))	2,142	-	134	-
7010	Other income (Note 6(24) and 7)	207,207	6	111,321	3
7020	Other gains and losses (Note 6(24))	(35,274)	(1)	(11,955)	-
7050	Finance costs (Note 6(24))	(21,384)	(1)	(28,354)	(1)
7070	Profit and loss of subsidiaries, associates and joint ventures recognized by using equity method (Note 6(7))	<u>(88,620)</u>	<u>(2)</u>	<u>1,039,139</u>	<u>29</u>
	Subtotal	<u>64,071</u>	<u>2</u>	<u>1,110,285</u>	<u>31</u>
7900	Net profits before tax	<u>226,292</u>	<u>7</u>	<u>1,260,834</u>	<u>35</u>
7950	Less: Income tax expenses (Note 6(19))	<u>69,002</u>	<u>2</u>	<u>36,033</u>	<u>1</u>
	Net profits for the period	<u>157,290</u>	<u>5</u>	<u>1,224,801</u>	<u>34</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	67,206	2	(14,047)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(282,268)</u>	<u>(9)</u>	<u>195,015</u>	<u>5</u>
8330	Share of gains of subsidiaries, associates, and joint ventures recognized by using the equity method - Items not reclassified to profit or loss	<u>(56,679)</u>	<u>(2)</u>	<u>101,309</u>	<u>3</u>
8349	Less: Income tax related to items that will not be reclassified	<u>15,804</u>	<u>-</u>	<u>(2,894)</u>	<u>-</u>
	Total amount of items that will not be reclassified to profit or loss	<u>(287,545)</u>	<u>(9)</u>	<u>285,171</u>	<u>8</u>
8360	Items that may be reclassified to profit or loss subsequently				
8361	Exchange differences on translation of foreign operations	58,063	2	(69,411)	(2)
8399	Less: Income tax related to items that may be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total amount of items that may be reclassified to profit or loss subsequently	<u>58,063</u>	<u>2</u>	<u>(69,411)</u>	<u>(2)</u>
8300	Other comprehensive income or loss of the period (net after taxes)	<u>(229,482)</u>	<u>(7)</u>	<u>215,760</u>	<u>6</u>
8500	Total comprehensive income for the period	<u>\$ (72,192)</u>	<u>(2)</u>	<u>1,440,561</u>	<u>40</u>
	Earnings per share (NT\$) (Note 6(21))				
9750	Basic earnings per share (NT\$)	<u>\$ 0.46</u>		<u>3.33</u>	
9850	Diluted earnings per share (NT\$)	<u>\$ 0.45</u>		<u>3.28</u>	

Hocheng Corporation

Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

	Capital stock	Retained earnings					Other Components of Equity			Treasury stock	Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Foreign operations	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2021											
Net profits for the period											
Other comprehensive income for the year											
Total comprehensive income for the period											
Earnings distribution and appropriation:											
Legal reserve											
Cash dividends of ordinary shares											
Other changes in capital reserve											
Disposal of equity instruments measured at fair value through other comprehensive income											
Balance as of December 31, 2021											
Net profits for the period											
Other comprehensive income for the year											
Total comprehensive income for the period											
Legal reserve											
Legal reserve											
Cash dividends of ordinary shares											
Changes in the net equity of subsidiaries recognized using the equity method											
Other changes in capital reserve											
Capital reduction in cash											
Disposal of equity instruments measured at fair value through other comprehensive income											
Balance at December 31, 2022											

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Unit: NT\$ thousand

Hocheng Corporation
Statement of Cash Flows
For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit before tax from continuing operations	\$ 226,292	1,260,834
Net income before tax		
Adjustments to reconcile profit (loss)		
Depreciation	153,505	149,705
Amortization expense	5,140	5,375
Expected credit impairment losses	221	1,175
Net gains on financial assets at fair value through profit or loss	(460)	(14)
Interest expenses	21,384	28,354
Interest income	(2,142)	(134)
Dividend income	(135,020)	(46,592)
Share of losses (gains) of subsidiaries, associates, and joint ventures recognized by using the equity method	88,620	(1,039,139)
Gains (losses) from disposal and scrapping of property, plant and equipment	344	(682)
Gains on disposal of right-of-use assets	(118)	(95)
Unrealized gains between associates	1,519	507
Reversal of allowance for sales returns and discounts	(2,832)	(6,248)
Total items of income and expenses	<u>130,161</u>	<u>(907,788)</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes receivable	(29,319)	(57,675)
Accounts receivable	174,619	(51,910)
Other receivables	(10,502)	(3,393)
Inventory	(213,368)	1,463
Other current assets	<u>16,360</u>	<u>10,623</u>
Total net changes in assets related to operating activities	<u>(62,210)</u>	<u>(100,892)</u>
Net changes in liabilities related to operating activities		
Notes payable	(13,215)	8,263
Accounts payable	820	21,070
Other payables	(72,888)	112,604
Other current liabilities	(4,642)	12,788
Net confirmed benefit debt	<u>(17,941)</u>	<u>(26,374)</u>
Total net changes in liabilities related to operating activities	<u>(107,866)</u>	<u>128,351</u>
Total net changes in assets and liabilities related to operating activities	<u>(170,076)</u>	<u>27,459</u>
Total item of adjustments	<u>(39,915)</u>	<u>(880,329)</u>
Cash inflows generated from operations	186,377	380,505
Interest received	2,142	134
Dividends received	262,591	1,017,951
Interest paid	(18,763)	(24,765)
Income tax paid	<u>(18,142)</u>	<u>(45,460)</u>
Net cash inflows from operating activities	<u>414,205</u>	<u>1,328,365</u>

Hocheng Corporation
Statement of Cash Flows (cont'd)
For the years ended December 31, 2022 and 2021

Unit: NT\$ thousand

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(1,793)	(47,753)
Disposal of financial assets measured at fair value through other comprehensive income	4,730	105,849
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	48,713
Acquisition of financial assets at fair value through profit or loss	(27,000)	(60,000)
Acquisition of investments accounted for under the equity method	(65,332)	-
Proceeds from the capital reduction of investees accounted for using the equity method	-	70,876
Acquisition of property, plant and equipment	(78,445)	(75,141)
Proceeds from disposal of property, plant and equipment	1,962	820
Increase in refundable deposits	28,931	(1,334)
Acquisition of intangible assets	(1,210)	(948)
Decrease in other non-current assets	(90)	1,169
Net cash outflows (inflows) from investing activities	<u>(138,247)</u>	<u>42,251</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	(620,877)	(92,333)
Decrease in short-term notes payable	-	(10,000)
Decrease in long-term loans	(98,234)	(174,970)
(Decrease) increase in refundable deposits	(30)	380
Repayment of principal of lease liabilities	(58,844)	(58,101)
Cash dividends paid	(73,971)	(73,971)
Capital reduction in cash	(665,736)	-
Net cash outflows from financing activities	<u>(1,517,692)</u>	<u>(408,995)</u>
Net increase (decrease) in cash and cash equivalents during the period	(1,241,734)	961,621
Cash and cash equivalents at beginning of year	<u>1,382,009</u>	<u>420,388</u>
Cash and cash equivalents at end of year	<u>\$ 140,275</u>	<u>1,382,009</u>

Appendix 9

HOCHENG CORPORATION

Earnings Distribution Table

for the Year 2022

Unit: NTD

		Amount
Beginning Undistributed Earnings		1,368,938,507
Add (Less):		
Changes to Actuarial Gains and Losses in Current Period (incl. DTA)	62,464,356	
Disposal of Equity Instruments Measured at Fair Value through Other Comprehensive Income	9,348,428	
Current Net Profit (Loss) after Tax	157,290,246	229,103,030
Earnings Distributable		1,598,041,537
Less:		
Legal Reserve	22,910,303	
Distribution Items:		
Shareholders' Bonus-Cash	60,655,992	83,566,295
Ending Undistributed Earnings		1,514,475,242

Note:

Shareholders' Bonus-Cash: $303,279,960 \times 0.2 = 60,655,992$

Chairman: Patrick Chiu

Manager: Chen, Shih-Chieh

Accounting Manager: Monica Luo

Appendix 10

Articles of Incorporation of Hocheng Corporation

Chapter One General Provisions

Article1:

The company is organized in accordance with the provisions of the Company Act, named 和成欣業股份有限公司 and the English name is HOCHENG CORPORATION.

Article2:

The scope of business of the Corporation shall be as follows:

1. B202010 Mining of Non-metallic.
2. C802090 Cleaning Products Manufacturing.
3. C802200 Coating, Paint, Dye, and Pigment Manufacturing.
4. C805030 Plastic Daily Necessities Manufacturing.
5. C805070 Reinforced Plastic Products Manufacturing.
6. C901010 Ceramics and Ceramic Products Manufacturing.
7. C901050 Cement and Concrete Product Manufacturing.
8. C901060 Refractory Material Manufacturing.
9. CA01120 Copper Casting.
- 10.CA02010 Metal Structure and Building Component Manufacturing.
- 11.CA02050 Valve Manufacturing.
- 12.CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified.
- 13.CA04010 Surface Treatments.
- 14.CB01010 Mechanical Equipment Manufacturing.
- 15.CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
- 16.CC01080 Electronic Component Manufacturing.
- 17.CE01010 General Instrument Manufacturing.
- 18.CN01010 Furnitue and Fittings Manufacturing.
- 19.CR01010 Fuel Gas Equipments, Materials and Parts Manufacturing.
- 20.E601020 Electric Appliance Installation.
- 21.E603130 Gas Water Heater Contractors.
- 22.E801010 Indoor Decoration.
- 23.E801020 Doors and Windows Installation Engineering.
- 24.E801070 Kitchen and Bath Facilities Construction.
- 25.F105050 Wholesale of Furniture, Bedding, Kitchen Utensils and Fixtures.

- 26.F106040 Wholesale of Plumbing Materials.
- 27.F106050 Wholesale of Pottery, Porcelain and Glassware
- 28.F108040 Wholesale of Cosmetics..
- 29.F110010 Wholesale of Clocks and Watches.
- 30.F111090 Wholesale of Building Materials.
- 31.F113010 Wholesale of Machinery.
- 32.F113020 Wholesale of Household Appliance.
- 33.F114010 Wholesale of Motor Vehicles.
- 34.34, F199990 Other Wholesale Trade.
- 35.F120010 Wholesale of Refractory Materials.
- 36.F205040 Retail Sale of Furniture, Bedding, Kitchen Utensils and Fixtures.
- 37.F206040 Retail Sale of Plumbing Materials.
- 38.F208040 Retail Sale of Cosmetics.
- 39.F210010 Retail Sale of Watches and Clocks.
- 40.F211010 Retail Sale of Building Materials
- 41.F213010 Retail Sale of Electrical Appliances
- 42.F214010 Retail Sale of Motor Vehicles
- 43.F220010 Retail Sale of Refractory Materials.
- 44.F299990 Retail Sale of Other Products.
- 45.F401010 International Trade.
- 46.H701010 Housing and Building Development and Rental.
- 47.H701020 Industrial Factory Development and Rental.
- 48.H701040 Specific Area Development.
- 49.J602010 Performing Arts Activities.
- 50.I503010 Landscape and Interior Designing.
- 51.F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- 52.F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
- 53.CF01011 Medical Devices Manufacturing
- 54.F108031 Wholesale of Medical Devices.
- 55.F208031 Retail Sale of Medical Apparatus.
- 56.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval..
- 57.CD01060 Aircraft and Parts Manufacturing.

Article 2-1 :

The company shall handle guarantee business in accordance with relevant regulations due to business needs.

Article 3:

The company shall establish its head office in Taipei City, and may establish or abolish factories, branches or other branches at home and abroad if necessary through the resolution of the board of directors.

Article 4: Deleted.

Article 5:

The company may reinvest in related businesses for business needs, and shall not be subject to the restrictions stipulated in Article 13 of the Company Act.

Chapter Two. Shares

Article 6:

The total capital of the company is rated at NT\$5700 million, divided into NT\$570 million shares, at NT\$10 per share, of which 30 million shares are reserved for employee stock option certificates and may be issued in installments in accordance with the resolution of the board of directors.

Article 7:

All Company's shares are registered shares and the share certificates shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance. After the company's public offering of stocks, when issuing new stocks, the total number of shares issued for that time may be combined to print the stocks, or the printing of stocks may be exempted.

Article 8:

The rename and transfer of stocks shall cease within 60 days prior to the convening date of the regular shareholders' meeting, 30 days prior to the convening date of a special shareholders' meeting, or 5 days prior to the target date fixed by the issuing company for distribution of dividends and bonuses or other benefits.

Article 9:

The company's stock affairs shall be handled in accordance with relevant laws and regulations and the regulations of the competent authority.

Chapter Three: Shareholders' Meeting

Article 10:

There are two types of shareholder meetings: regular meetings and special meetings. Regular meetings shall be held once a year and within six months after the end of each

fiscal year; special meetings shall be convened in accordance with relevant laws and regulations when necessary.

Article 11:

Except restricted or in the circumstance of no voting power provided in Article 179-2 of Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 12:

Unless otherwise stipulated by relevant laws and regulations, the resolutions of the shareholders meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. However, in the following circumstances, the resolutions of the shareholders meeting shall be adopted by a majority vote of the shareholders present, who represent more than two-third of the total number of voting shares or proxy.

1. Acquisition or merger of other domestic and foreign companies.
2. Dissolution or liquidation, division.

Article 13:

When a shareholder is unable to attend the shareholders meeting for some reason, he may entrust a proxy to attend the meeting in accordance with relevant laws and regulations.

Article 14:

The shareholders meeting shall be convened by the board of directors with the chairman of the board of directors as the chairman. When the chairman is absent due to certain circumstances, the chairman shall designate one of the directors to act as chair, and when such designation is not appointed, one of the directors shall elect among themselves to act as chair. It shall be convened by a convening authority other than the board of directors, and the chairman shall be the convening authority. If there are two or more convening persons, one of the other convening authorities shall be elected to serve as the chairman.

Article 14-1:

The resolutions of the shareholders meeting shall be recorded in minutes, signed, or sealed by the chairman of the shareholders meeting, and the minutes shall be distributed to all shareholders within 20 days after the meeting.

The production and distribution of the proceedings of the preceding paragraph shall be carried out electronically.

The dissemination of the minutes of the proceedings in Paragraph 1 and the companies that publicly issue stocks may do so by way of public announcement.

Chapter 4: Directors and Supervisors

Article 15:

The company shall have seven directors, who are elected by the shareholders' meeting with capacity for a term of three years and may be re-elected. The company's director election adopts a candidate nomination system, and the members of shareholders' meeting shall be selected from the list of director candidates. Among the aforementioned number of directors, the number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of directors. The selection and appointment of independent directors adopts a candidate nomination system, and shall be selected from the list of independent director candidates. The professional qualifications, shareholding, term of office, part-time restriction, independence determination, nomination and selection methods, and other matters to be followed for independent directors shall be conducted in accordance with the Securities and Exchange Act and the relevant regulations of the competent authority in charge of securities affairs. After the company's shares are issued to the public, the total shareholdings of all supervisors shall meet the requirement as separately specified by the competent authority in charge of securities affairs.

Article 16: The board of directors is constituted by directors and, the board of directors shall elect a chairman of the board directors 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. . When the chairman of the board asks for leave or is unable to exercise his powers for any reason, his agency shall be handled in accordance with the relevant provisions of the Company Act. When the number of vacancies in the board of directors of a company equals one-third of the total number of directors, the board of directors shall call within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies.

The meetings of the Board of Directors shall be convened with a notice given to each director 7 days in advance in written, by fax or email, and if emergency, it shall be convened immediately.

Article 16-1:

In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

Article 17:

The resolution of the board of directors, unless otherwise stipulated by the Company Law, shall be carried out with the presence of more than half of the directors and the consent of more than half of the directors present.

Independent directors shall not be represented by non-independent directors if they are required to be mentioned in Article 14 of the Securities and Exchange Act. Independent directors shall not be represented by non-independent directors if they are not present in person; if independent directors cannot be represented in person, they may be represented by other independent directors.

If independent directors have objections or reservations to the preceding proposal, they shall issue written opinions in advance and record them in the minutes of the board of directors.

Article 17-1: In compliance with Articles 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall be composed of the entire number of independent directors. The provisions regarding supervisors in the Company Act, Securities and Exchange Act and other laws and regulations shall apply mutatis mutandis to the audit committee and members of the audit committee.

Article 18: When the directors of the company conduct business affairs, regardless of the company's operating profit or loss, shall be paid with compensation. The compensation is determined by board of directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the same industry..

Article 18-1:

The company may purchase liability insurance for the directors during their term of office for the scope of business performed by the directors in accordance with the law.

Chapter 5 Manager

Article 19:

The company may have one or more managerial personnel, and appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with the Company Act.

Chapter 6 Accounting

Article 20:

At the close of each fiscal year, starting from January 1 until December 31, the board of directors shall prepare the statements and records of (1) the business report; (2) the financial statements; and (3) the surplus earning distribution or loss off-setting proposals;

and shall forward the same to supervisors for their ratification of a general meeting of shareholders..

Article 21:

If there is a profit in the company's annual final accounts, the remuneration of employees and directors shall be provided separately.

The employee compensation rate is 5% to 8% of the annual profit.

The director's remuneration rate is set at an upper limit of 3% of annual profit.

The allocation procedures shall be handled in accordance with relevant regulations.

Article 21-1:

The company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent of said profits as legal reserve, and shall set aside remaining profit as special reserve in accordance with laws and regulations. Aside from the aforesaid legal reserve, the company may, under its Articles of Incorporation, set aside another sum as special reserve. . If there is still surplus, the shareholders meeting will distribute dividends to shareholders based on the surplus and the undistributed surplus accumulated in previous years.

The distribution of dividends to shareholders is subject to the company's operating conditions and capital needs, and the board of directors shall propose a proposal and send it to the shareholders meeting for approval. Priority is given to cash dividends.

When cash dividends and stock dividends are paid at the same time, the cash dividends shall not be less than 10% of the total dividends paid. When the statutory surplus reserve has reached the total capital, it may be subject to a resolution of the shareholders meeting to stop the allocation. The statutory surplus and capital reserve shall be paid as dividends and bonuses, as required by relevant laws and regulations, and shall also be distributed after the board of directors proposes to send it to the shareholders meeting for approval.

Article 22: The company's articles of incorporation and details of rules shall be separately formulated by the board of directors.

Article 23:

Any matter not provided in these Rules and Procedures shall be handled in accordance with Company Act, the Articles of Incorporation of the Company and any other relevant laws and regulations.

Article 24:

This Articles of Association was established on Nov. 23, 1961. The first amendment was made on Dec. 1, 1962. The second amendment was made on May 9, 1968. The

third amendment was made on Oct. 5, 1970. The fourth amendment was made on May 31, 1972. The fifth amendment was made on Sep. 5, 1975. The sixth amendment was made on Oct. 25, 1976. The seventh amendment was made on Jan. 16, 1980. The eighth revision was made on Oct. 1, 1980. The ninth amendment was made on Oct. 3, 1981. The tenth amendment was made on Jul. 10, 1982. The eleventh amendment was made on Jul. 10, 1987. The twelfth revision was made on May 31, 1989. The thirteenth amendment was made on Oct. 15, 1989. The fourteenth amendment was made on Apr. 31, 1990. The fifteenth amendment was made on Apr. 30, 1991. The sixteenth amendment was made on Sep. 21, 1991. The seventeenth amendment was made on Apr. 31, 1992. The eighteenth amendment was made on Apr. 30, 1993. The nineteenth amendment was made on Apr. 30, 1994. The twentieth revision was made on May 20, 1995. The twenty-first amendment was made on May 31, 1996. The twenty-second revision was made on May 28, 1997. The twenty-third revision was made on May 29, 1998. The twenty-fourth amendment was made on May 31, 2000. The twenty-fifth amendment was made on May 31, 2001. The twenty-sixth amendment was made on Jun. 26, 2002. The twenty-seventh amendment was made on Jun. 28, 2004. The twenty-eighth amendment was made on Jun. 29, 2005. The twenty-ninth amendment was made on Jun. 31, 2006. The thirtieth amendment was made on Jun. 19, 2009. The thirty-first amendment was made on Jun. 25, 2010. The thirty-second amendment was made on Jun. 28, 2011. The thirty-third amendment was made on Jun. 21, 2012. The thirty-fourth amendment was made on Jun. 27, 2014. The thirty-fifth amendment was made on Jun. 29, 2016. The thirty-sixth amendment was made on Jun. 28, 2017. The thirty-seventh amendment was made on Jun. 28, 2018. The thirty-eighth amendment was deleted on June 29, 2020 concerning the relevant regulations of the supervisory personnel in this Articles of Incorporation, and it will take effect on the day of the establishment of the Audit Committee. It will take effect from the date when the submission is approved by the competent authority for registration, and the same applies to amendments.

Appendix 11

HOCHENG CORPORATION

Table of Amendments to Articles of the Board of Directors'

Meeting Procedures

Revised Article	Existing Article	Explanation
Article 3 (Paragraphs 1 to 3 omitted) The matters specified in Article 12, Paragraph 1 shall be listed in the notice of convocation and may not be proposed as temporary resolutions. Article 12 The following matters shall be discussed at the company's Board of Directors' meeting: (Items 1 to 5 omitted) Selection, appointment, or removal of the Chairman of the Board in the absence of a managing director. Appointment or removal of the financial, accounting, or internal audit supervisor. Donations to related parties or significant donations to non-related parties. However, donations of a public nature for emergency relief due to significant natural disasters may be retroactively approved at the subsequent Board of Directors' meeting. Matters specified in Article 14-3 of the Securities Exchange	Article 3 (Paragraphs 1 to 3 omitted) The matters specified in Article 12, Paragraph 1 of this regulation shall be listed in the notice of convocation, except for unforeseen emergencies or legitimate reasons, and may not be proposed as temporary resolutions. Article 12 The following matters shall be discussed at the Board of Directors' meeting of the company: (Items 1 to 5 omitted) Appointment or removal of the financial, accounting, or internal audit supervisor. Donations to related parties or significant donations to non-related parties. However, donations of a public nature for emergency relief due to significant natural disasters may be approved at the subsequent Board of Directors' meeting. Matters specified in Article 14-3 of the Securities Exchange Act, other significant matters required to be resolved by the shareholders' meeting or the Board of Directors under laws, regulations, or the competent authority's regulations. The term "related parties" referred to in	In compliance with legal amendments, the content of this procedure has been revised. °

Act, other significant matters required to be resolved by the shareholders' meeting or the Board of Directors under laws, regulations, or the directives of the competent authority. The term "related parties" referred to in the preceding item 8 shall mean (omitted below). Article 18 The company has established a governance officer responsible for handling matters requested by the directors. They shall promptly process such matters within 7 days, following the principle of providing immediate and effective assistance to the directors in performing their duties.	the preceding item 7 shall mean (omitted below). Article 18 The company does not have a governance officer. Therefore, the Secretary Division of the Board of Directors is responsible for handling matters requested by the directors, and they shall promptly process them within 7 days, following the principle of providing immediate and effective assistance to the directors in performing their duties.	
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Appendix 12

Hocheng Hongye Co., Ltd.

Board of Directors Meeting Regulations

Revised and passed by the board of directors on March 24, 2020.

Article 1: In order to establish a sound corporate governance system, enhance the supervisory function, and strengthen the management efficiency of the company, as well as to assist the directors in carrying out their duties and improve the effectiveness of the board of directors, these regulations are formulated in accordance with Article 2 of the "Regulations Governing Meetings of the Board of Directors of Public Companies" for compliance.

Article 2: The main contents of the board of directors' meetings, the operating procedures, matters to be recorded in the minutes of the meeting, announcements, and other matters that should be followed, as well as the handling of matters requested by directors, shall be governed by these regulations, except as otherwise provided by laws or the articles of incorporation.

Article 3: The board of directors of the company shall meet once every quarter.

The convocation of the board of directors shall specify the purpose and shall be notified to all directors and supervisors in writing, by email or fax, seven days in advance. In case of an emergency, the meeting may be convened at any time.

Except for urgent or legitimate reasons, matters stipulated in the first paragraph of Article 12 of these regulations shall be listed in the convocation notice, and cannot be proposed as an ad-hoc motion.

Article 4: The secretariat of the board of directors shall be designated as the unit responsible for the meeting affairs.

The secretariat shall prepare the contents of the board of directors' meetings and provide sufficient meeting materials, which shall be sent together with the convocation notice.

If a director considers that the meeting materials are insufficient, he or she may request supplementation from the secretariat, which shall be provided within five days. If a director considers that the proposal materials are insufficient, the deliberation may be postponed after the resolution of the board of directors.

Directors shall be provided with appropriate and timely information in a form and quality sufficient to enable them to make decisions with relevant information and to fulfill their duties as directors.

Article 5: When the board of directors of the company is convened, a sign-in sheet shall be provided for directors to sign in for reference.

Directors shall attend the board of directors meeting in person. If a director is unable to attend in person, he or she may delegate another director in accordance with the company's articles of incorporation. If a director participates in the meeting via video, he or she shall be deemed to be present in person.

When a director delegates another director to attend the board of directors meeting, a power of attorney shall be issued for each meeting, and the authorized scope of the convocation notice shall be listed.

The proxy shall be limited to one person.

Article 6: The location and time of the board of directors meeting of the company shall be in the company's location during office hours or at a location and time suitable for the directors to attend the meeting.

Article 7: The board of directors of the Company shall be convened by the chairman of the board, who shall also serve as the chairman of the meeting. However, for the first board meeting of each term, the director with the most voting rights elected by the shareholders' meeting shall be the convener, and the chairman of the meeting shall be the convener. When there are two or more conveners, they shall recommend one person to serve as the convener. In accordance with Article 203-4 or Article 203-1, Paragraph 3 of the Company Act, the board of directors may be convened by a majority of the directors themselves, and one of the directors shall be recommended to serve as the chairman. In Taiwan, when the chairman of the board is on leave or unable to perform his duties due to an accident, he shall be represented by the vice chairman of the board. If there is no vice chairman or the vice chairman is also on leave or unable to perform his duties due to an accident, the chairman of the board shall designate one director to act on his behalf. If the chairman of the board fails to designate a representative, the directors shall recommend one person to act on his behalf.

Article 8: When the board of directors of the Company is convened, the Secretariat or relevant department of the board shall prepare relevant materials for the attending directors to refer to at any time. When the Company convenes a board meeting, personnel from relevant departments or subsidiaries may be invited to attend the meeting depending on the content of the agenda. If necessary, accountants, lawyers, or other professionals may also be invited to

attend the meeting and give explanations, but they should leave when discussing and voting. When more than half of the directors are present at the appointed meeting time, the chairman of the board shall announce the start of the meeting. If less than half of the directors are present at the appointed meeting time, the chairman may announce a postponement of the meeting, limited to two times. If the number of attendees is still insufficient after two postponements, the chairman may reconvene the meeting in accordance with the procedures set forth in the second paragraph of Article 3. The term "all directors" referred to in the preceding paragraph shall be based on the actual number of directors in office.

Article 9: The entire board meeting process of the Company shall be recorded in audio or video and kept for at least five years. The recordings may be kept electronically. If litigation arises concerning matters discussed at the board meeting before the expiration of the retention period, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded. For meetings held by videoconference, the video and audio recordings shall be part of the meeting minutes and shall be kept properly throughout the company's existence.

Article 10: The regular board meetings of the Company shall include at least the following matters:

1. Reporting items: (1) Minutes and implementation of the previous meeting. (2) Important financial business reports. (3) Internal audit business reports. (4) Other important reporting matters.
2. Discussion items: (1) Matters discussed at the previous meeting that were retained. (2) Agenda items scheduled for the current meeting.
3. Ad-hoc motions.

Article 11: The board of directors of the Company shall follow the agenda procedures as set forth in the meeting notice. However, with the consent of a majority of the attending directors, the agenda may be changed. Without the consent of a majority of the attending directors, the chairman shall not adjourn the meeting directly.

Article 12: The following matters shall be discussed by the Board of Directors of the Company:

1. The operating plan of the Company.
2. The annual and semi-annual financial reports. However, for semi-annual financial reports that do not require an auditor's certification under laws and regulations, this requirement does not apply.
3. The establishment or amendment of internal control systems pursuant to Article 14-1 of the Securities and Exchange Act and the assessment of the effectiveness of the internal control system.

- 4.The processing procedures for significant financial and business operations, such as the acquisition or disposal of assets, engaging in derivative transactions, lending funds to others, endorsing or providing guarantees for others, established or amended pursuant to Article 36-1 of the Securities and Exchange Act.
- 5.The issuance, offering, or private placement of equity securities.
- 6.The appointment or removal of financial, accounting, or internal audit personnel.
- 7.Donations to related parties or significant donations to non-related parties. However, in the case of donations of a public nature for emergency relief due to major natural disasters, they may be retroactively approved by the next Board of Directors meeting.
- 8.Other significant matters required to be resolved by the shareholders' meeting, the Board of Directors, or competent authorities pursuant to laws and regulations or the articles of incorporation, as stipulated in Article 14-3 of the Securities and Exchange Act.

For the purposes of item 7 above, related parties refer to those regulated by the financial report preparation standards of the securities issuer, and significant donations to non-related parties refer to donations with a cumulative amount of NT\$100 million or more to the same recipient within one year, or amounting to 1% of the net operating revenue or 5% of the paid-in capital as audited by certified public accountants in the most recent financial report. The one-year period refers to the period calculated retroactively from the date of the current Board of Directors meeting, with any resolutions previously passed by the Board of Directors within the period excluded from the calculation.

For foreign companies whose stock has no par value or a per-share value not equal to NT\$10, the amount of 5% of the paid-in capital as mentioned in the second paragraph shall be calculated based on 2.5% of the shareholders' equity.

There shall be at least one independent director personally present at the Board of Directors meeting. For matters to be resolved by the Board of Directors meeting under item 1, all independent directors shall attend the meeting. If an independent director cannot attend, another independent director shall be appointed as a proxy. If an independent director has objections or reservations, they shall be recorded in the minutes of the meeting. If an independent director cannot attend the meeting and express their objections or reservations, except for justified reasons, they shall provide written opinions in advance, which shall also be recorded in the minutes of the meeting.

Article 13: When the chairman of the board considers that the discussion of a board meeting proposal has reached the point of being ready for a vote, he/she may announce the end of the discussion and submit the proposal to a vote.

When voting on a board meeting proposal, if the chairman of the board asks all attending directors for their agreement without objection, the proposal is considered passed. If there are

objections raised after the chairman's inquiry, a vote must be taken. The chairman can choose one of the following methods for the vote, but if there are objections from attendees, a majority opinion should be sought to decide:

- 1.A show of hands or a vote counting machine.
- 2.A roll call vote.
- 3.A ballot vote.
- 4.A vote chosen by the company.

The term "all attending directors" in the first two items above does not include directors who are not allowed to exercise their voting rights under the provisions of Article 15, paragraph 1.

Article 14: Unless otherwise provided in the Securities and Exchange Act or the Company Act, resolutions of the board of directors of this company require the attendance of more than half of the directors and the agreement of a majority of the attending directors to be executed. When there are amendments or alternative proposals to the same proposal, the chairman should determine the order of voting together with the original proposal. However, if one of the proposals has already passed, the other proposals are deemed to have been rejected and do not need to be voted on again. If it is necessary to appoint vote inspectors and vote counters for the vote, the chairman should designate them, but vote inspectors should have the status of directors.

The results of the vote should be reported on the spot and recorded.

Article 15: Directors who have an interest in matters discussed at the meeting that may affect their own interests or the interests of the legal persons they represent should explain the important contents of their interests at the board meeting and may not participate in the discussion and voting if there is a risk of harming the company's interests. Moreover, they should abstain from voting, and they may not act as agents for other directors to exercise their voting rights.

Spouses, blood relatives within the second degree, or companies that have a controlling/subordinate relationship with the directors are considered to have personal interests in matters discussed at the meeting in accordance with the preceding paragraph.

The resolutions of the board of directors concerning directors who are not allowed to exercise their voting rights in accordance with the preceding two paragraphs shall be handled in accordance with Article 180, paragraph 2 of the Company Act, mutatis mutandis, according to Article 206, paragraph 4 of the Company Act.

Article 16: The minutes of the board of directors of this company should record the following items in detail:

- 1.The session number (or year), time and place of the meeting.
- 2.The name of the chairman.
- 3.The attendance status of the directors, including the names and numbers of those who attended, were
absent, or took a leave of absence.
- 4.The names and titles of those in attendance.
- 5.The name of the recorder.
- 6.The report items.
- 7.Discussion items: the method and result of each proposal, the names of directors, supervisors, experts, and other attendees who spoke, a summary of their comments, the names of directors with conflicts of interest and an explanation of their conflicts, whether they abstained or not, reasons for abstaining, their voting status, and any opposition or reservations expressed with records or written statements, and the independent directors in accordance with Article 12

Article 17: Except for the matters that should be discussed by the board of directors according to the first item of Article 12, the board of directors may authorize the chairman to exercise the powers of the board of directors in accordance with laws and regulations or the company's articles of association. The scope of such authorization is as follows:

- 1.Approval of important contracts.
- 2.Approval of the purchase and disposal of the company's general property and real estate.
- 3.Approval of endorsement and guarantee operations.
- 4.Matters authorized by resolution of the shareholders' meeting or the board of directors.
- 5.Matters authorized in accordance with the company's "Asset Acquisition or Disposal Processing Procedures".
- 6.Matters authorized in accordance with the "Authority Matrix".

Article 18: Since the company does not have a governance officer, the secretariat of the board of directors is responsible for handling the requests of the directors, and follows the principle of providing timely and effective assistance to the directors in performing their duties. The requests should be processed as soon as possible within 7 days.

Article 19: The formulation of these regulations should be agreed upon by the company's board of directors and reported to the shareholders' meeting. Any future revisions shall be subject to the authorization of the board of directors.

Appendix 13

Hocheng Corporation Rules of Procedure for Shareholders' meetings Article Amendment Comparison Table

Amendment	Provision	Explanation
Article 3 The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations. <u>Unless otherwise provided in Regulations Governing the Administrations of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its Board of Directors. And shareholders' meetings with video conferencing shall obtain approval by a majority vote of the directors in attendance at a Board of Directors meeting attended by two-thirds or more of the directors before proceeding to convene the meeting. 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.</u> The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. <u>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.</u> In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared	Article 3 The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby <u>as well as being distributed on-site at the meeting place.</u> 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	- Paragraph 1, original Paragraph 3 to Paragraph 10 have not been amended. - Since the Company holds a video shareholders' meeting; shareholders can only participate in the shareholders' meeting by video instead of physical meeting. As there are many restrictions on shareholders' equity, the Paragraph 2 is added to protect shareholders' equity. It specifies that unless otherwise provided in Regulations Governing the Administrations of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its Board of Directors. And shareholders' meetings with video conferencing shall obtain approval by a majority vote of the directors in attendance at a Board of Directors meeting attended by two-thirds or more of the directors before proceeding to convene the meeting, namely Supermajority vote. - In order for shareholders to be aware of the change in the method of convening the shareholders' meeting, 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. Paragraph 3 is added. - In accordance with Article 6 of the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies revised and issued on December 16, 2021, it regulates the case of a TWSE or TPEX listed company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year. In order to enable the foreign capital and Mainland Chinese capital shareholders to read the relevant information of the shareholders' meeting as soon as possible, it

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. <u>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:</u> <u>1. For physical shareholders' meetings, to be distributed on-site at the meeting.</u> <u>2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the video conferencing platform.</u> <u>3. For video conferencing shareholders' meetings, electronic files shall be shared on the virtual meeting platform.</u> 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	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	shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held., so as to cooperate with the amendment of Paragraph 5. In response to public companies that convene shareholders' meetings by video conference, the Company has physical shareholders' meetings and different methods of convening shareholders' meetings by video conferences. For the benefit of shareholders, whether participating in the physical shareholders' meeting or participating in the form of video, they can refer to the shareholders' meeting agenda handbook and supplemental materials on the day of the shareholders' meeting. Paragraph 2 is amended and the Paragraph 5 is added.
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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 Corporation 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.	the agenda.	
Article 4 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	Article 4 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	1. Paragraph 1 to Paragraph 4 have not been amended. 2. The shareholder who entrusts a proxy to attend the shareholders' meeting, after a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by video conferencing, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. Paragraph 4 is added.

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. <u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by video conferencing, 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.</u>	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.	
Article 5 (Principles determining the time and place of a shareholders' meeting) 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. <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.</u>	Article 5 (Principles determining the time and place of a shareholders' meeting) 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.	1. The current provision is moved to Paragraph 1, and the content has not been amended 2. Paragraph 2 is added and specifies that the restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.
Article 6 (Preparation of documents such as the attendance book) The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for <u>shareholders, solicitors and proxies (collectively "shareholders")</u> 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. <u>For video conferencing 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.</u> <u>Shareholders</u> 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	Article 6 (Preparation of documents such as the attendance book) The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending	1. Paragraph 4 to Paragraph 6 have not been amended. 2. In order to clearly stipulate the time and procedures for the registration of shareholders attending via video conference, Paragraph 2 shall be amended 3. Cooperate with the abbreviation of shareholders in Paragraph 1, therefore Paragraph 3 is amended. 4. Shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date. Paragraph 7 is added. 5. In order for shareholders attending through virtual meeting to have access to the meeting agenda book, annual report and other meeting materials, the Company should upload them to the video conferencing platform, and therefore Paragraph 8 is added.

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. <u>In the event of a video conferencing shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date</u> <u>In the event of a video conferencing 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.</u>	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.	
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<u>Article 6-1 (Convening video conferencing shareholders' meetings and particulars to be included in shareholders' meeting notice)</u> <u>To convene a video conferencing shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:</u> <u>1. How shareholders attend the video conferencing meeting and exercise their rights.</u> <u>2. Actions to be taken if the video conferencing meeting platform or participation in the video conferencing meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <u>A. 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</u> <u>B. shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.</u> <u>C. In case of a hybrid shareholders' meeting, when the video conferencing meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the video conferencing shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the video conferencing meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the video conferencing meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting</u> <u>D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.</u> <u>3. To convene a video conferencing shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. Except for the circumstances specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders connection equipment and necessary assistance, and the period during</u>		1. New addition to the Article. 2. In order to make shareholders aware of the relevant rights and restrictions on participating in the shareholders' meeting before the shareholders' meeting, it is specified that the notice of convening the shareholders' meeting should include how shareholders attend the video conferencing meeting and exercise their rights, and the actions to be taken if the video conferencing meeting platform or participation in the video conferencing meeting is obstructed due to natural disasters, accidents or other force majeure events. The notice shall at least include the date when the meeting must be postponed or continued and how long the meeting should be postponed or continued if the meeting is interrupted, Article 44 Paragraph 1, Paragraph 2, Paragraph 4, and Paragraph 5 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out., and shall provide appropriate alternative measures with shareholders who have difficulty participating in video conferencing meetings 3. Considering the convening of a video conferencing shareholders' meeting, shareholders can only participate in the shareholders' meeting online, in order to provide appropriate alternative measures for shareholders who have difficulty participating in video conferencing meetings, and to assist them to use connection equipment to participate in the shareholders' meeting, the latter part of Subsection 3 is added. It is specified that the Company shall at least provide the connection equipment and venue for shareholders to participate in the meeting, and assign relevant personnel on the spot to provide necessary assistance to shareholders, and shall specify the period during which shareholders can apply to the Company in the notice of the shareholders' meeting, and other related considerations. 4. In addition, in the event of the occurrence of Article 44-19, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, due to a natural disaster, unforeseen event, or other force majeure event, the Ministry of Economic Affairs announces that the Company may hold a shareholders' meeting through
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<u>which shareholders may apply to the Company and other relevant precautions shall be specified.</u>		video conferencing within a certain period of time without being specified in the articles of incorporation, and necessary supporting measures must be provided according to the situation at that time. Therefore, it is added in Subsection 3 that If the circumstances in Article 44-9, Paragraph 6 occur, it is not necessary to apply the latter paragraph of Subsection 3
Article 8 (Documentation of a shareholders' meeting by audio or video) 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. <u>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 video conferencing 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 video conferencing meeting. In case of a video conferencing shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the video conferencing meeting platform.</u>	Article 8 (Documentation of a shareholders' meeting by audio or video) 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.	1. Paragraph 1 and Paragraph2 have not been amended. 2. With reference to Article 183 of the Company Act and Article 18 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, it is specified that 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 video conferencing meeting from beginning to end. It is required that 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 video conferencing meeting. Therefore, Paragraph 3 and Paragraph 4 are added. 3. In order to preserve the relevant information of the video conference as much as possible, in addition to Paragraph 3 , the Company shall continuously record and video , without interruption, the proceedings of the video conferencing meeting from beginning to end, it is also advisable to record and video the background operation interface of the video conference. As screen synchronous recording requires a certain level of computer software and hardware equipment and information security, the Company may, based on the feasibility of equipment conditions, specify that in the Rules of Procedure for Shareholders' meetings, and therefore add Paragraph 5.

Article 9 Attendance at shareholders' meetings shall be calculated based on numbers 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 <u>the shares checked in on the video conferencing meeting platform</u>, 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. <u>In the event of a video conferencing shareholders' meeting, this Company shall also declare the meeting adjourned at the video conferencing meeting platform.</u> 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. <u>In the event of a video conferencing shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u> 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.	Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.	1. Paragraph 2 and Paragraph 5 have not been amended. 2. To specify that when the Company's shareholders' meeting is held through video conferencing, the total number of shares present shall be calculated by adding the number of shares reported to shareholders through video conferencing. Therefore, the Paragraph 1 is amended. 3. When the Company's shareholders' meeting is held by video conference, if the chair declares the meeting adjourned, the Company shall also declare the meeting adjourned at the video conferencing meeting platform.to inform shareholders immediately. Paragraph 3 is amended. 4. When the Company convenes a shareholders' meeting due to the tentative resolution, shareholders who wish to attend via video conference should register with the Company. Paragraph 4 is amended.
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Article 11 (Shareholder speech) 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. <u>Where a video conferencing shareholders' meeting is convened, shareholders attending the meeting online may raise questions in writing at the video conferencing 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 video conferencing meeting platform.</u>	Article 11 (Shareholder speech) 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.	1. Paragraph 1 to Paragraph 6 have not been amended. 2. In order to specify the methods, procedures, and restrictions for shareholders to participate in shareholders' meetings through video conferencing, Paragraph 7 is hereby added. 3. In order to help other shareholders understand the content of the shareholders' questions, the Company may screen out questions unrelated to various issues at the shareholders' meeting, and other shareholders' questions should be disclosed on video conferencing platforms. Therefore, Paragraph 8 has been added.
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Article 13 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 shareholders' 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 <u>online</u>, 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	Article 13 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 shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall	1. Paragraph 1 to Paragraph 3 and Paragraph 5 to Paragraph 8 have not been amended. 2. In order to specify that if shareholders wish to attend a shareholders' meeting by video after exercising their voting rights in writing or electronic form, they should first revoke it in the same way as exercising their voting rights, Paragraph 4 is amended.. 3. If the shareholders' meeting is held through video conferencing, in order to provide sufficient voting time for shareholders participating through video conferencing, voting on various original proposals can be carried out from the time the chair announces the meeting until the end of voting. The vote counting operation must be a one-time vote counting to cooperate with the voting time for shareholders participating through video conferencing. Therefore, Paragraphs 9 and 10 have been added. 4. Shareholders who participate in the hybrid shareholders' meeting has registered their attendance through video. If they 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. Therefore, Paragraph 11 is added. 5. With reference to the Ministry of Economic Affairs' letter No. 1010242074O of February 24, 2012 and the interpretation of the letter No. 1010414350 of May 3 of the same year, shareholders who has exercised voting rights by electronic means, and has not rescinded their declaration of intention may not propose amendments to the original proposal and may not exercise their voting rights again, but they can still attend the shareholders' meeting on the day of the shareholders' meeting. In addition, they can put forward a extraordinary motion on the spot and exercise their voting rights. Considering that both written and electronic voting are one of the ways for shareholders to exercise their rights, based on the principle of fair treatment, written voting should also follow the standard of electronic voting to protect shareholders' equity. Therefore, it is clearly specified in Paragraph 12 that shareholders who exercise their voting rights in written or electronic form and have not rescinded their declaration of intention can still register to
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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. <u>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 video conferencing 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.</u> <u>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.</u> <u>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</u>	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.	participate in shareholders' meetings by video. However, except for extraordinary motions that can be proposed and voting rights exercised, no voting shall be held on the original proposal or amendments to the original proposal, and no amendments to the original proposal shall be proposed.
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<u>voting rights on amendments to the original proposal.</u>		
Article 15 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. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company. <u>Where a video conferencing 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 video conferencing 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.</u> <u>When convening a video conferencing shareholders' 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 shareholders' meeting online.</u>	Article 15 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. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.	1. Paragraph 1 to Paragraph 3 have not been amended. 2. In order for shareholders to understand the results of the video conference, the alternative measures for shareholders with digital gaps, and the handling methods and circumstances of the disconnection, the Company shall include 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 video conferencing meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with in the minutes, in addition to the particulars to be included as described in Paragraph 3. Therefore, Paragraph 4 is added. 3. If a video conferencing shareholders' meeting is held, it must be stated in the convening notice that appropriate alternative measures will be provided for shareholders who have difficulties in participating in video conference. The alternative measures for shareholders with digital gaps shall be stated in the minutes of the meeting. Paragraph 5 is added.

Article 16 (Public disclosure) 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 <u>the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders' meeting. <u>In the event a video conferencing shareholders' meeting, the Company shall upload the above meeting materials to the video conferencing meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u> <u>During the Company's video conferencing shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the video conferencing 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.</u> 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.	Article 16 (Public disclosure) 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 shall make an express disclosure of the same at the place of the shareholders' meeting. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.	1. In order to inform shareholders of the number of shares acquired by the applicant and the number of shares represented by the entrusted agent, as well as the number of shares present in writing or electronic form, the Company shall clearly disclose them in the shareholders' meeting. If the Company convenes a video conference, it should be uploaded to the shareholders' meeting video conference platform, and Paragraph 1 is amended accordingly. 2. In order to enable shareholders participating in the video conference of the shareholders' meeting to simultaneously know whether the number of shareholders' attendance rights has reached the threshold for the shareholders' meeting, it is specified that the Company shall disclose the total number of shareholders' shares present on the video conference platform when starting the meeting. The statistics of the total number of shares and voting rights of the shareholders present shall also be disclosed on the video conferencing platform, and Paragraph 2 is added.
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<u>Article 19 (Disclosure of information at video conferencing meetings)</u> <u>In the event of a video conferencing shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the video conferencing meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>		1. New addition to this article. 2. In order to enable shareholders participating in the video conference of the shareholders' meeting to know the voting status and election results of various proposals immediately, and to regulate sufficient information disclosure time, this article is added.
<u>Article 20 (Location of the chair and secretary of video conferencing shareholders' meeting)</u> <u>When the Company convenes a video conferencing 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.</u>		1. New addition to this article. 2. When the shareholders' meeting is held by video conference and there is no physical meeting place, the chair and the secretary should be at the same place in the nation. In addition, in order to let shareholders, know the chair's location, the chair should announce the address of his location when the meeting is held, and the article is added.
<u>Article 21 (Handling of disconnection)</u> <u>In the event of a video conferencing 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 issue</u> <u>In the event of a video conferencing 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 video conferencing meeting platform or participation in the video conferencing 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.</u> <u>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</u> <u>For a meeting to be postponed or resumed under Paragraph 2, 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</u>		1. New addition to this article. 2. In order to reduce the communication problems of video conferencing, in consideration of foreign practice, a connection test may be provided before the meeting, and relevant services may be provided immediately before the meeting and during the meeting to assist in dealing with technical problems of communication, and Paragraph 1 is added. 3. When the Company convenes a shareholders' meeting through video conferencing, the chair shall announce at the meeting that if there are obstacles to the video conferencing platform or participation through video conferencing due to natural disasters, incidents, or other force majeure events that cannot be eliminated for more than 30 minutes, the meeting shall be convened or resumed within five days, in which case Article 182 of the Company Act shall not apply. Therefore, Paragraph 2 shall be added. Any individual intentional or negligent act by the Company, video conference platform, shareholder, requestor, or entrusted agent that causes inability to convene or participate in a video conference does not fall within the scope of this article. 4. In the event that the meeting should be postponed or resumed as mentioned in Article 44-20, Paragraph 2 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders who have not registered to participate in the original shareholders' meeting through video conference (including the solicitor and the

<u>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.</u> <u>During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, 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.</u> <u>When the Company convenes a hybrid shareholders' meeting, and the video conferencing meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under Paragraph 2 is required.</u> <u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the 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.</u> <u>When postponing or resuming a meeting according to Paragraph 2, 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.</u> <u>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 Shareholders' 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 Paragraph 2.</u>		entrusted agent) shall not participate in the postponement or continuation meeting, and Paragraph 3 is added in cooperation. As for convening a hybrid shareholders' meeting, the shareholders who originally participated in the physical shareholders' meeting may continue to participate in the postponed or continued meeting in a physical form, and shall provide explanations. 5. When the Company is required to postpone or resume the meeting according to Paragraph 2, according to Article 44-20, Paragraph 3 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the shareholders (including proxy solicitors and proxy agents) who registered to take part by video conferencing in the originally scheduled shareholders' meeting and completed sign-in, but do not participate in the postponed or reconvened meeting, the number of shares represented by them and voting rights and election rights exercised by them shall be counted toward the total number of shares, number of voting rights and number of election rights of shareholders represented at the postponed or reconvened meeting. Therefore, Paragraph 4 is added. 6. In case the meeting cannot be resumed due to communication barriers, and the shareholders' meeting needs to be postponed or resumed, the resolution that the voting and counting of votes have been completed at the previous meeting and the voting results or the elected list of directors and supervisors are announced may be regarded as completed, and it is unnecessary to discuss and decide again, so as to reduce the meeting time and cost of the resumed meeting. Therefore, Paragraph 5 is formulated. 7. Considering that the hybrid shareholders' meeting has both physical meetings and video conferencing, if there is an obstacle to the video conferencing platform or participation in the video conference due to force majeure, and the physical shareholders' meeting is still held, if the total number of shares attending the shareholders' meeting still reaches the legal quota after deducting the number of shares attending the shareholders' meeting by video-conferencing, the shareholders' meeting shall continue, and there is no need to postpone or continue the meeting according to Paragraph 2, so
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		Paragraph 6 is formulated. 8. In the event that the Company should continue to hold the meeting in Paragraph 2 without postponing or resuming the meeting, in accordance with Article 44-20, Paragraph 5 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders (including proxy solicitors and proxy agents) who were attending the shareholders' meeting by video conferencing shall be counted toward the total number of shares represented by the shareholders attending the meeting, but they shall be deemed to have waived their voting rights on all proposals at that shareholders' meeting, and the Paragraph 7 is added in cooperation. 9. Considering that the postponement or continuation of the shareholders' meeting due to the interruption of the internet is actually the same as the original shareholders' meeting, there is no need to re-do the relevant preparatory work for the shareholders' meeting in accordance with Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies because of the postponement or continuation of the shareholders' meeting. Therefore, Paragraph 8 is formulated.. 10. In addition, when the video conference of the shareholders' meeting has been postponed, matters that need to be announced and disclosed on the day of the shareholders' meeting, such as the latter paragraph of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies, as well as Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 414-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, must still be disclosed to shareholders on the day of the postponed or resumed meeting. Therefore, Paragraph 9 is formulated. . °
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Article 22 (Handling of digital divide) <u>When convening a video conferencing shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a shareholders' meeting online. Except for the circumstances stated in the Regulations Governing the Administration of Shareholder Services of Public Companies, Paragraph 6 of Article 44-9, at least shareholders shall be provided with connection equipment and necessary assistance, and the period during which shareholders may apply to the Company and other relevant notices shall be specified.</u>		1. New addition to this article. 2. When the Company holds a video shareholders' meeting, considering the potential obstacles for digital shareholders to participate in the meeting through video, appropriate alternative measures should be provided, such as exercising voting rights in writing or providing necessary equipment for shareholders to rent to participate in the meeting. 3. The reason for the amendment is the same as Article 6-1.
Article 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.	Article 19 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.	Adjust the number of articles in line with the newly added articles.

Notes

Case 1:	Amendments to some articles of the Rules of Procedure for Shareholders' meetings of the Company. (proposed by the Board of Directors)
Explanation	1. In accordance with the Taiwan Stock Exchange Co., Ltd. announcement No. 1120004167 on March 17, 112 and No. 1110004250 on March 8, 111, the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' meetings." 2. This case was reviewed and approved by the Audit Committee. 3. Please refer to the Article Amendment Comparison Table. (Please refer to pages OO to OO of this manual) 4. Propose for discussion.

Appendix 14

The number of shares held by individual, and all directors as recorded in the shareholder register as of the day of 2023.04.23.

The statutory minimum number of shares to be held by all directors: 12,131,198 Shares.

Title	Name	Appointment date	term of office	Number of shares held at the time of appointment	Shareholding ratio at the time of appointment	Number of shares held in the shareholder register on the date of closing	Shareholding ratio recorded in the shareholder register on the closing date
Chairman	Chiu Li-Chien	2021.7.9	Three years	12,832,033	3.47%	10,522,267	3.47%
Director	Wu Yue-Long	2021.7.9	Three years	2,736,416	0.74%	2,243,861	0.74%
Director	Fuho Investment Co., Ltd. Representative: Chiu Chi-Hsin	2021.7.9	Three years	2,307,979	0.62%	1,113,542	0.37%
Director	Yuhuang Co., Ltd. representative: Chiu Shi-Kai	2021.7.9	Three years	14,033,700	3.79%	11,507,634	3.79%
Independent Director	Wang Cheng-Wei	2021.7.9	Three years	0	0%	0	0%
Independent Director	Fan Wei-Guang	2021.7.9	Three years	0	0%	0	0%
Independent Director	Wang Min-Chi	2021.7.9	Three years	0	0%	0	0%

Remarks:

1. The company has issued a total of 303,279,960 shares as of 2023.04.23.
2. The company shall assigned 3 independent directors. According to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors shall be decreased by 20 percent.