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ANNUAL SHAREHOLDER'S MEETING 2024

SAND MASTER



HWA FONG RUBBER IND. CO., LTD.

No. 300, Sec. 2, Chung-Shan Rd., Ta-Tsun Township,
Changhua County 515002, Taiwan

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Hwa Fong Rubber Ind. Co., Ltd.

2024 Annual Shareholders 'Meeting

Meeting Procedure

I. Call Meeting to Order

II. Chairman's Address

III. Reported Matters

IV. Acknowledged Matters

V. Matters for Discussion

VI. Extemporaneous Motions

VII. Adjournment

Hwa Fong Rubber Ind. Co., Ltd.

2024 Annual Shareholders 'Meeting

Meeting Agenda

Time : June 19, 2024, (Wednesday), at 10:00 a.m.

Place : No. 20, Sec. 1, Zhongshan Rd., Chung Chuang Village, Huatan Township,
Changhua County (The Company's Huatan Plant)

Method : Physical shareholders' meeting.

I. Call Meeting to Order (Report of shareholding attendance)

II. Chairman's Address

III. Reported Matters

1. 2023 Business Report of the Company.
2. 2023 Annual Final Accounting Books and Statements Audited by Audit Committee.
3. 2023 Directors' and Employees' Remuneration Distribution Report Proposal.
4. 2023 Cash Dividend Distribution Report Proposal.
5. Amendment of Regulations Governing Procedure for Board of Directors Meetings.

IV. Acknowledged Matters

1. 2023 Business Report and Annual Final Accounting Books and Statements.

V. Matters for Discussion

1. Amendment of Rules of Procedure for Shareholders Meetings.

VI. Extemporaneous Motions

VII. Adjournment

Reported Matters

ONE

Proposal : 2023 Business Report, for your approval.

Explanation : 2023 business report of the Company, please refer to P.6-8 of the agenda (Attachment 1).

TWO

Proposal : 2023 Annual Final Accounting Books and Statements Audited by Audit Committee, for your approval.

Explanation : Audit committee's audit report, please refer to P.9 of the agenda (Attachment 2).

THREE

Proposal : 2023 directors' and employees' remuneration distribution report, for your approval.

Explanation : The Company's 2023 directors' and employees' remuneration was approved by a resolution of the board of directors on March 13, 2024. According to Articles of Incorporation, directors' remuneration was distributed 1.5%, the amount was NT\$ 8,187,974; and employees' remuneration was distributed 2.5%, the amount was NT\$ 13,646,623, and all were distributed by cash.

FOUR

Proposal : 2023 cash dividend distribution report, for your approval.

Explanation :

1. According to Articles of Incorporation, the board of directors was authorized to make a resolution for cash dividend distribution after the end of each half of fiscal year. The amount and distribution date of the Company's cash dividend in the first half and the second half of year 2023 are stated below:

Year (2023)	Approval date (Month/Day/Year)	Distribution date (Month/Day/Year)	Cash dividend per share (NT\$)	Total amount of cash dividend (NT\$)
First half of the year	August 09, 2023	October 20, 2023	0.4	111,739,654

Year (2023)	Approval date (Month/Day/Year)	Distribution date (Month/Day/Year)	Cash dividend per share (NT\$)	Total amount of cash dividend (NT\$)
Second half of the year	March 13, 2024	May 20, 2024	0.8	223,479,307
Total :			1.2	335,218,961

2. Shareholder cash dividend was distributed to the nearest dollar (with amounts of less than NT\$ 1.00 unconditionally rounded down), and the fractional sum of less than NT\$ 1.00 shall be included as the Company's other revenue, and the chairman shall be authorized to set ex-dividend record date, distribution date and other relevant matters.
3. If conducting private placement common stock, repurchase treasury stock or treasury stock transfer or write-off, convertible corporate bond or employee warrant certificate exercise, etc., it affects the number of common stock outstanding, and causes the change of shareholder payout ratio, the board of directors shall be authorized to adjust with full discretion.

FIVE

Proposal : Amendment of Regulations Governing Procedure for Board of Directors Meetings report, for your approval.

Explanation : In response to amendments of regulations of competent authority, Regulations Governing Procedure for Board of Directors Meetings was amended, and comparison of amended articles, please refer to P.10-11 of the agenda (Attachment 3) "Comparison of Amended Articles of Regulations Governing Procedure for Board of Directors Meetings of Hwa Fong Rubber Ind. Co., Ltd."

Acknowledged Matters

Proposed by board of directors

ONE

Proposal : 2023 Business Report and Financial Statements Proposal, for your approval

Explanation :

1. The 2023 financial statements (including consolidated financial statements) of the Company were audited by PWC Taiwan's accountants Wu, Sung-Yuen and Hsu, Chien-Yeh. The audited financial statements, along with the business report, were submitted to the audit committee and a written audit report has been provided.

2. Business report, accountants' audit report, the preceding financial statements and earnings distribution statement, please refer to P.6-8 (Attachment 1), P.12-34 (Attachment 4) and P.35 (Attachment 5) of the agenda.
3. For your approval.

Resolution :

Matters for Discussion

Proposed by board of directors

ONE

Proposal : Amendment of Rules of Procedure for Shareholders Meetings.

Explanation :

1. To establish a robust shareholder meeting governance system, enhance supervisory functions, and strengthen management capabilities within the company, Rules of Procedure for Shareholders Meetings was amended, and comparison of amended articles of Rules of Procedure for Shareholders Meetings, it is stated in detail as Attachment 6 (please refer to P.36-56 of the meeting agenda) "Comparison of Amended Articles of Rules of Procedure for Shareholders Meetings of Hwa Fong Rubber Ind. Co., Ltd."
2. For your decision

Resolution:

Extemporaneous Motions

Adjournment

Hwa Fong Rubber Ind. Co., Ltd. 2023 Business Report

Looking back on 2023, the global transition into a post-pandemic era has brought about volatility in investment markets, fueled by the Federal Reserve's decisions to combat inflation through interest rate hikes in the United States. Simultaneously, the AI chip war ignited by the two major powers, China and the U.S., and the ever-present geopolitical tensions, coupled with the challenges posed by the collapse of Chinese real estate giants on the financial system, resemble a butterfly effect, triggering sensitivity worldwide. In addition, unpredictable environmental factors and a treacherous political and economic situation have challenged the operational ability and core competitiveness of enterprises.

2023 Operating Results

2023 consolidated net operating revenue of the Company was NT\$ 4,674,300 thousand, compared with the consolidated net operating revenue of the year 2022 of NT\$ 5,414,345 thousand, decreased by NT\$ 740,045 thousand; the consolidated net profit after tax was NT\$ 531,253 thousand, and compared with the consolidated net profit after tax of the year 2022 of NT\$ 444,345 thousand, increased by NT\$ 86,908 thousand.

In 2023, the Company's net operating revenue amounted to NT\$ 2,096,650 thousand, which decreased by 5.81% compared to NT\$ 2,225,968 thousand in 2022. However, operating costs decreased by NT\$ 238,819 thousand compared to 2022, resulting in an increase in net gross profit by NT\$ 103,775 thousand, or 20.12%. Operating expenses decreased by NT\$ 45,830 thousand or 14.51%, compared to the previous year. Operating net profit was NT\$ 349,524 thousand, representing an increase of approximately NT\$ 149,605 thousand, or 74.83%, compared to the previous fiscal year. In summary, despite a decrease in net revenue compared to previous year, under the company's actively managed costs, optimized production efficiency, and benefited from the collective efforts of all employees, the net profit after tax of annual operating results was NT\$ 422,342 thousand, which increased by NT\$ 127,854 thousand, or 43.42% compared to last year.

2023 Production and Sales Situation & Operation Statement of the Company are as follows:

(1) Production and Sales Situation:

Unit: thousand

Item \ Year	2023 Production volume	2023 Sales volume	2022 Sales volume	Sales volume Increase (decrease)	%
Bicycle tire	632	680	1,642	-962	-58.59%
Agricultural/industrial tire	1,283	1,225	1,520	-295	-19.41%
Motorcycle tire	2,369	2,350	2,273	77	3.39%
Truck/auto tire	48	44	23	21	91.30%
Radial tire	20	26	66	-40	-60.61%
Other rubber products	0	317	419	-102	-24.34%

(2) Operation Statement:

Unit: NT\$ 1,000

Item \ Year	2023 Amount	2022 Amount	Increased (decreased) amount	%
Operating revenue	2,096,650	2,225,968	-129,318	-5.81%
Operating costs	1,474,645	1,713,464	-238,819	-13.94%
Operating margin - net income	619,647	515,872	103,775	20.12%
Operating expenses	270,123	315,953	-45,830	-14.51%
Operating net profit	349,524	199,919	149,605	74.83%
Non-operating income and expenses	174,506	190,485	-15,979	-8.39%
Net income (loss) before tax	524,030	390,404	133,626	34.23%
Net income (loss)	422,342	294,488	127,854	43.42%

Looking ahead to 2024, the global environment remains fraught with numerous uncertainties, with unclear economic prospects for both the United States and mainland China. The monetary policy directions of major economies continue to influence fluctuations in global financial markets. Geopolitical risks and climate change in various regions affect the supply and demand as well as the prices of energy and agricultural raw materials, continuing to impact the pace of global economic recovery.

In parts of the Middle East and Europe, the supply order has gradually returned to its original order after the pandemic. However, the crisis in the Red Sea towards the end of 2023 led to shipping

detours, increasing transportation and time costs. This has further exacerbated inflation, adding challenges to inventory management. Adjustments in orders and shipments will require greater flexibility, although our existing sales strategy in the European market remains unchanged. We aim to enhance the overall value proposition of our products and services, strengthen the development and sales channels of high-profit products, and promote the development of related electric vehicle products.

In regards to the American market, in 2021, due to the United States' anti-dumping tariff policies, our company outsourced the production of car and light truck tires to Southeast Asian contract manufacturers for supply to the U.S. market, ensuring the continuous availability of these products to meet market demand. Additionally, in response to increased demand for ATV/UTV, we have adjusted and increased production capacity to meet customer needs. The Company has also made positive internal improvements, such as reducing waste to avoid an increase in deadweight costs. The R&D department has also contributed to the development of new tire patterns and specifications, with the aim of significantly increasing the Company's overall competitiveness.

In the face of various international political and economic situations and rising costs, the Company has continued to invest in equipment and talent, while seeking to expand its global market beyond its existing one. We aim to sustain our international competitiveness by increasing our capacity utilization rate, developing high-value-added tires, and continuing to invest in research and development. We are determined to overcome the overall economic difficulties in 2024 and deliver returns to our shareholders, thereby fulfilling their support and expectations.

Chairman: Shen, Kuo-Jung



Managerial officer: Wang, Jiaw-Chyi



Accounting supervisor: Chen, Chang-Yuan



Attachment 2

The Board of Auditors Report of Examination

The board of directors made and sent to the company business operation report of year 2023, financial statements (individual and consolidated financial statements) and surplus allocation proposal and other lists. After the review of audit committee and of other members, that there is no discrepancy, then according to the provisions of the Company Law in article 219, we prepared the report.
Please watch

Yours Faithfully,

Hwa Fong Rubber Ind. Co., Ltd Regular shareholders meeting 2024



Convenor of the Audit Committee:

Wen-Goang Yang

The Republic of China, March 13, 2024

Attachment 3

Hwa Fong Rubber Ind. Co., Ltd.

Comparison of Amended Articles of Regulations Governing Procedure for Board of Directors Meetings

Amended articles	Current articles	Explanation
Article 8 (Subparagraph 1-4 were omitted.) The meeting is scheduled to commence. Should half of the directors fail to attend, the chairman may announce a postponement of the meeting <u>for that day</u>. Such postponement may occur up to two times. If the quorum is still not met after two postponements, the chairman may reconvene the meeting according to the procedure outlined in Article 3, Paragraph 2. The term "all directors" as mentioned in the preceding paragraph and in Article 16, Paragraph 2, Sub-paragraph 2, refers to those currently in office.	Article 8 (Subparagraph 1-4 were omitted.) The meeting is scheduled to commence. Should half of the directors fail to attend, the chairman may announce a postponement of the meeting. Such postponement may occur up to two times. If the quorum is still not met after two postponements, the chairman may reconvene the meeting according to the procedure outlined in Article 3, Paragraph 2. The term "all directors" as mentioned in the preceding paragraph and in Article 16, Paragraph 2, Sub-paragraph 2, refers to those currently in office.	To prevent disputes arising from the indefinite extension of board meetings, it is stipulated that when the attendance falls short, the chairman may only announce a postponement for the day.
Article 11 (Subparagraph 1-4 were omitted.) <u>During the proceedings of the board meeting, if the chairman is unable to preside over the meeting due to unforeseen circumstances or fails to adjourn the meeting in accordance with paragraph 2, their proxy shall be appointed as per the provisions of paragraph 3 of Article 7.</u> Each director has the opportunity to speak twice on the same agenda item. If a director's speech exceeds five minutes per occasion or deviates from the topic, hindering other directors' contributions or impeding the progress of the meeting, the chairman may intervene to halt their speech.	Article 11 (Subparagraph 1-4 were omitted.) Each director has the opportunity to speak twice on the same agenda item. If a director's speech exceeds five minutes per occasion or deviates from the topic, hindering other directors' contributions or impeding the progress of the meeting, the chairman may intervene to halt their speech.	Considering practicality, to avoid disrupting the operation of the board, a fifth clause is added, specifying that the appointment of a proxy shall follow the provisions of paragraph 3 of Article 7, to be delegated by the vice chairman or a director's proxy.
Article 19 The history of drawing up and amending the Rules is stated as below: 1. The formulation was approved by the board of directors on November 24, 2006.	Article 19 The history of drawing up and amending the Rules is stated as below: 1. The formulation was approved by the board of directors on November 24, 2006.	Added amendment date.

Amended articles	Current articles	Explanation
2. The amendment was approved by the board of directors on August 23, 2007. 3. The amendment was approved by the board of directors on March 27, 2008. 4. The amendment was approved by the board of directors on June 16, 2009. 5. The amendment was approved by the board of directors on October 8, 2009. 6. The amendment was approved by the board of directors on June 25, 2010. 7. The amendment was approved by the board of directors on September 24, 2012. 8. The amendment was approved by the board of directors on March 28, 2013. 9. The amendment was approved by the board of directors on February 1, 2016. 10. The amendment was approved by the board of directors on March 20, 2019. 11. The amendment was approved by the board of directors on March 20, 2020. 12. The amendment was approved by the board of directors on March 18, 2021. 13. The amendment was approved by the board of directors on March 15, 2023. <u>14. The amendment was approved by the board of directors on March 13, 2024.</u>	2. The amendment was approved by the board of directors on August 23, 2007. 3. The amendment was approved by the board of directors on March 27, 2008. 4. The amendment was approved by the board of directors on June 16, 2009. 5. The amendment was approved by the board of directors on October 8, 2009. 6. The amendment was approved by the board of directors on June 25, 2010. 7. The amendment was approved by the board of directors on September 24, 2012. 8. The amendment was approved by the board of directors on March 28, 2013. 9. The amendment was approved by the board of directors on February 1, 2016. 10. The amendment was approved by the board of directors on March 20, 2019. 11. The amendment was approved by the board of directors on March 20, 2020. 12. The amendment was approved by the board of directors on March 18, 2021. 13. The amendment was approved by the board of directors on March 15, 2023.	

INDEPENDENT AUDITORS' REPORT

(2024) No. Financial Auditing- 23004903

The Board of Directors and Shareholders :

Hwa Fong Rubber Industrial Co., Ltd.

Opinion

We have audited the accompanying individual balance sheets of Hwa Fong Rubber Industrial Co., Ltd. as of December 31, 2023 and 2022, and the related individual statements of income, changes in equity, and cash flows for the years ended December 31, 2023 and 2022, and the related individual notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other auditors (see Other Matters), the financial statements referred to above present fairly, in all material respects, the financial position of Hwa Fong Rubber Industrial Co., Ltd. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years ended December 31, 2023 and 2022, in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibility under those standards is further described in the paragraph of our responsibility to audit the parent company only financial statements. We believe that the staff of the firm to which we belong are independent in accordance with the ROC Code of Ethics for Accountants, and we have fulfilled our responsibilities under that Code. We believe that we have obtained sufficient and appropriate evidence to provide a basis for our audit opinion.

Key Audit Matters

Key auditing matters are those matters that, in our professional judgment, are most significant in relation to our audit of the financial statements of Hwa Fong Rubber Industrial Co., Ltd. for FY 2023.

These matters have been considered in the process of examining the parent company only financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on them individually.

The key audited items in the parent company only financial statements for the year ended December 31, 2023 are as follows :

Evaluation of allowance for losses on accounts receivable

Matter Description

Please refer to Note 4(9) to the financial statements for the accounting policies of accounts receivable; Note 5(2) to the financial statements for the accounting estimates and assumption uncertainties of accounts receivable; and Note 6(4) to the financial statements for the accounting

entries of accounts receivable. As of December 31, 2023, accounts receivable and allowance for doubtful accounts amounted to NT\$158,268 thousand and NT\$1,813 thousand, respectively.

Hwa Fong Rubber Industrial Co., Ltd. sells its products through distributors in various regions. The financial condition of the distributors will affect the collectability of accounts receivable. Since the impact of accounts receivable on the overall financial statements is significant, and the allowance for losses on accounts receivable is measured based on the expected credit risk loss over the ongoing period, the measurement process requires appropriate grouping of accounts receivable and judgment and analysis of the application of relevant assumptions in the measurement process, including the consideration of appropriate aging ranges and loss rates for each aging range. The measurement results affect net accounts receivable. Therefore, we consider the evaluation of accounts receivable to be one of the most important matters for this year's audit.

In accordance with the audit procedure

The procedures that we have performed in response to the specific aspects of the critical audit described above are set out below:

1. Obtain the expected loss rates calculated by management based on historical and forward-looking information for similar credit risk groups in order to assess the reasonableness of the accounts receivable provision.
2. Verify the correctness of the aging report used by Hwa Fong Rubber Industrial Co., Ltd to evaluate the accounts receivable to confirm that the reported information is consistent with its policies.
3. Verify the correctness of the aging report used by Hwa Fong Rubber Industrial Co., Ltd to evaluate the accounts receivable to confirm that the reported information is consistent with its policies.
4. For accounts that are past due and uncollectible, to understand the customer's historical payment status, the availability of collaterals and other repayment ability in order to assess the adequacy of the allowance for losses provided by management.

Evaluation of allowance for losses on inventories

Matter Description

Please refer to Note 4(11) to the financial statements for the accounting policy of inventory valuation; Note 5(2) to the financial statements for the accounting estimates and assumption uncertainties of inventory valuation; and Note 6(5) to the financial statements for the description of inventory accounting. As of December 31, 2023, the inventory and allowance for impairment loss were NT\$326,904 thousand and NT\$12,261 thousand, respectively.

Hwa Fong Rubber Industrial Co., Ltd.'s inventories are measured at cost and net realizable value. An allowance for impairment loss is provided for inventories that are older than a specified period and for inventories that are individually identified as obsolete based on the degree of inventory depletion. As inventories are subject to fluctuations in international raw material prices and market supply and demand, raw material costs and product selling prices may fluctuate significantly, resulting in a higher risk that the net realizable value of inventories will fall below the carrying value and become stagnant. Due to the diversity of product models, the evaluation of obsolete inventory items and the net realizable value used in the valuation of such items often

involves subjective judgments and is therefore subject to a high degree of estimation uncertainty. As the aforementioned issues also exist in the subsidiaries held by Hwa Fong Rubber Industrial Co., Ltd. which are accounted for as investments under the equity method, we consider the valuation of the allowance for impairment loss on inventories to be one of the most significant matters to be audited during the year.

In accordance with the audit procedure

The procedures that we have performed in response to the specific aspects of the critical audit described above are set out below:

1. To understand the operating and industrial characteristics of Hwa Fong Rubber Industrial Co., Ltd. and evaluate the reasonableness of the valuation loss of its allowance for inventories and the reasonableness of the provisioning policy adopted.
2. To review its annual inventory plan and participate in annual inventory counts to assess the effectiveness of management's control of obsolete and damaged stock.
3. To verify the correctness of the inventory ageing statement used by Hwa Fong Rubber Industrial Co., Ltd. to confirm that the information in the statement is consistent with its policies.
4. To obtain a statement of the net realizable value of each item of inventory, confirm that the logic of its calculation is consistently applied, test the information on which the net realizable value of inventory is estimated, including verification of supporting documents such as selling prices and purchase prices, and recalculate and assess the reasonableness of the valuation of inventories.

Other Matter– Reference to other accountants' audit

The financial statements of certain equity-method investees included in the parent company only financial statements of Hwa Fong Rubber Industrial Co., Ltd. have not been audited by us, but by other auditors. Accordingly, our opinion on the financial statements referred to above is based on the reports of the other auditors. The equity method investments in these investees amounted to NT\$1,005,361 thousand and NT\$936,850 thousand as of December 31, 2023 and 2022, respectively, accounting for 14.95% and 14.56% of total individual assets. The comprehensive income of the aforementioned companies for the years ended December 31, 2023 and 2022 were NT\$59,0779 thousand and NT\$128,832 thousand, respectively, accounting for 12.81% and 28.80% of the comprehensive income of Hwa Fong Rubber Industrial Co., Ltd.

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

In preparing the parent company only financial statements, management is responsible for assessing Hwa Fong Rubber Industrial Co., Ltd.'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 Hwa Fong Rubber Industrial Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Hwa Fong Rubber Industrial Co., Ltd.'s financial reporting process.

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

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

We conducted our audit in accordance with generally accepted auditing standards in the Republic of China, using our professional judgement and maintaining professional doubt. We also performed the following work :

1. Identify and assess the risks of material misstatement of parent company only financial statements, whether due to fraud or error; to design and perform appropriate responses to those risks assessed; and to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. The risk of not detecting a material misstatement due to fraud is greater than the risk of detecting a material misstatement due to error because the fraud may involve conspiracy, forgery, intentional omission, misstatement or a breach of internal control.
2. Obtain such understanding of the internal control relevant to the audit as is necessary to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Hwa Fong Rubber Industrial Co., Ltd.
3. Evaluate the appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures made.
4. Based on the evidence obtained, we draw conclusions about the appropriateness of management's adoption of the going concern basis of accounting and about whether there is any material uncertainty about events or conditions that might cast significant doubt about Hwa Fong Rubber Industrial Co., Ltd.'s ability to continue as a going concern. If we believe that there is a material uncertainty about those events or circumstances, we should draw the attention of users of the parent company only financial statements to the relevant disclosures in the audit report or revise our audit opinion if those disclosures are inappropriate. Our conclusion is based on the audit evidence available to us as of the date of the audit report. However, future events or circumstances may cause Hwa Fong Rubber

- Industrial Co., Ltd. to cease to be able to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements present fairly the relevant transactions and events.
 6. We obtained sufficient and appropriate evidence to form an opinion on the financial information of Hwa Fong Rubber Industrial Co., Ltd. We are responsible for directing, supervising and performing the audit of individual cases and for forming an opinion on the parent company only financial statements.

We communicate with the governance entity regarding the scope and timing of the planned audit and significant audit findings (including significant deficiencies in internal control identified in the course of the audit).

We also provide the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Accountants in the Republic of China with respect to independence, and communicate with the governing body about all relationships and other matters (including related safeguards) that could be considered to affect the accountant's independence.

We have determined the key audit issues for the audit of Hwa Fong Industrial Co., Ltd.'s parent company only financial statements for 2023 from our communications with the governing bodies. We identified those matters in our auditor's report, except where disclosure of specific matters is not permitted by law or, in rare circumstances, we decided not to communicate specific matters in our auditor's report because we could reasonably expect that the negative effect of such communication would outweigh the public interest that would be served.

PWC Taiwan

WU,SUNG-YUAN

CPA

HSU,CHIEN-YEH

Financial Supervisory Commission

Certified Registration

Financial-Supervisory-Securities-Auditing- 1090350620

Financial-Supervisory-Securities-Auditing- 1050035683

March 13. 2024

Hwa Fong Rubber Industrial Co., Ltd
Parent Company Only Balance Sheets
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000

ASSETS			December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 615,211	9	\$ 478,078	8
1150	Notes receivable, net	6(4)	23,958	-	24,239	-
1170	Accounts receivable, net	6(4)	156,455	2	203,065	3
1180	Accounts receivable - related parties, net	7(2)	143,482	2	62,571	1
1200	Other receivables		3,352	-	7,342	-
1210	Other receivables - related parties	7(2)	44,843	1	233,733	4
130X	Inventory	6(5)	314,643	5	346,896	5
1470	Other current assets	7(2)	38,829	1	15,772	-
11XX	Total current assets		1,340,773	20	1,371,696	21
Non-current assets						
1517	Financial assets at fair value through other comprehensive income or loss - non-current	6(2)	267,793	4	233,786	4
1535	Financial assets measured at amortized cost - non-current	6(3) &8	62,189	1	96,469	2
1550	Investments accounted for using equity method	6(6)	3,616,781	54	3,234,067	50
1600	Property, plant and equipment	6(7) &8	1,354,068	20	1,400,265	22
1755	Right-of-use assets	6(8)	891	-	1,333	-
1780	Intangible assets		1,102	-	-	-
1840	Deferred income tax assets	6(23)	79,559	1	80,985	1
1900	Other non-current assets	6(25) &8	1,724	-	14,319	-
15XX	Total non-current assets		5,384,107	80	5,061,224	79
1XXX	Total assets		\$ 6,724,880	100	\$ 6,432,920	100

(Continued on next page)

Hwa Fong Rubber Industrial Co., Ltd
Parent Company Only Balance Sheets
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000

LIABILITIES AND EQUITY		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
CURRENT LIABILITIES						
2100	Short-term borrowings	6(9)	\$ 361,354	5	\$ 423,854	7
2130	Contract liabilities - current	6(17)	28,218	-	14,477	-
2170	Accounts Payable		123,384	2	133,335	2
2180	Accounts payable - related parties	7(2)	819	-	1,312	-
2200	Other payables	6(10)	110,812	2	107,274	2
2220	Other payables - related parties	7(2)	102	-	467	-
2230	Current income tax liabilities		50,155	1	39,143	1
2280	Lease liabilities - current	6(8)	350	-	1,015	-
2320	Long-term liabilities due within one year or one business cycle	6(11)	279,390	4	230,100	3
2399	Other current liabilities - other	6(17) & 8	31,623	1	26,130	-
21XX	Total current liabilities		986,207	15	977,107	15
NON-CURRENT LIABILITIES						
2540	Long-term borrowings	6(11) & 8	1,000,000	15	1,079,090	17
2570	Deferred income tax liabilities	6(23)	266,373	4	266,599	4
2580	Lease liabilities - non-current	6(8)	562	-	337	-
2640	Net defined benefit liabilities - non-current	6(12)	16,584	-	24,710	1
2650	Loans from investments accounted for using equity method	6(6)	979,998	15	848,866	13
2670	Other non-current liabilities - other		25,625	-	24,132	-
25XX	Total non-current liabilities		2,289,142	34	2,243,734	35
2XXX	Total liabilities		3,275,349	49	3,220,841	50
Equity						
Share Capital						
3110	Common stock capital	6(13)	2,793,492	41	2,793,492	43
Capital Surplus						
3200	Capital Surplus	6(14)	37,174	1	37,290	1
Retained earnings						
3310	Legal surplus reserve	6(15)	84,765	1	50,031	1
3320	Special surplus reserve		6,321	-	112,404	2
3350	Undistributed earnings (deficit to be covered)		497,987	7	228,151	3
Other equity						
3400	Other equity	6(16)	29,792	1	9,289	-
3XXX	Total equity		3,449,531	51	3,212,079	50
Significant Contingent Liabilities and Unrecognized Contractual Commitments						
Significant subsequent events						
3X2X	Total liabilities and equity	11	\$ 6,724,880	100	\$ 6,432,920	100

The accompanying notes to the parent company only financial statements form part of these parent company only financial statements and should be read in conjunction with them.

Chairman : SHEN,KUO-JUNG

Manager : WANG,CHIAO-CHI

Accounting Manager : CHEN, CHANG-YUAN

Hwa Fong Rubber Industrial Co., Ltd
Parent Company Only Statements of Comprehensive Income
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000
(Except for earnings per share of NTD)

		2023		2022	
Item	Item	Amount	%	Amount	%
4000 Operating Income	6(17) &7(2)	\$ 2,096,650	100	\$ 2,225,968	100
5000 Operating Costs	6(5) (22) &7(2)	(1,474,645)	(70)	(1,713,464)	(77)
5900 Gross profit		622,005	30	512,504	23
5920 Realized gain (loss) on sales		(2,358)	-	3,368	-
5950 Operating profit		619,647	30	515,872	23
Operating expenses	6(22) &7(2)				
6100 Marketing expenses		(131,400)	(6)	(126,094)	(6)
6200 Management Fees		(115,238)	(6)	(143,759)	(6)
6300 Research and development expenses		(23,485)	(1)	(31,450)	(1)
6450 Expected credit impairment loss	12(2)	-	-	(14,650)	(1)
6000 Total operating expenses		(270,123)	(13)	(315,953)	(14)
6900 Operating profit		349,524	17	199,919	9
Non-operating income and expenses					
7100 Interest income	6(18)	8,865	-	2,301	-
7010 Other income	6(19) &7(2)	52,128	3	57,474	3
7020 Other gains and losses	6(20)	15,523	1	75,298	3
7050 Finance costs	6(21)	(33,432)	(2)	(32,203)	(2)
7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	131,422	6	87,615	4
7000 Total non-operating income and expenses		174,506	8	190,485	8
7900 Net profit before tax		524,030	25	390,404	17
7950 Income tax expense	6(23)	(101,688)	(5)	(95,916)	(4)
8200 Net profit for the period		\$ 422,342	20	\$ 294,488	13

(Continued on next page)

Hwa Fong Rubber Industrial Co., Ltd
Parent Company Only Statements of Comprehensive Income
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000
(Except for earnings per share of NTD)

Item		Note	2023		2022	
			Amount	%	Amount	%
Other comprehensive income (net)						
Items not reclassified to profit or loss						
8311	Remeasurement of defined benefit obligation	6(12)	(\$ 469)	-	\$ 7,733	1
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6(2)	34,007	2	5,889	-
8330	Share of other comprehensive income or loss of subsidiaries, affiliates and joint ventures recognized under the equity method - not reclassified to profit or loss		(700)	-	4,318	-
8349	Income tax relating to items that are not reclassified	6(23)	94	-	(1,546)	-
8310	Total amount of items not reclassified to profit or loss		32,932	2	16,394	1
Items that may be reclassified subsequently to profit or loss						
8380	Share of other comprehensive income or loss of subsidiaries, affiliates and joint ventures recognized under the equity method - possible reclassification to profit or loss		7,217	-	170,547	8
8399	Income tax relating to items that may be reclassified	6(23)	(1,443)	-	(34,110)	(2)
8360	Total amount of items that may be reclassified subsequently to profit or loss		5,774	-	136,437	6
8300	Other comprehensive income (net)		\$ 38,706	2	\$ 152,831	7
8500	Total comprehensive profit or loss for the current period		\$ 461,048	22	\$ 447,319	20
	Basic EPS	6(24)				
9750	Basic EPS		\$ 1.51		\$ 1.05	
	Diluted EPS	6(24)				
9850	Diluted EPS		\$ 1.51		\$ 1.05	

The accompanying notes to the parent company only financial statements form part of these parent company only financial statements and should be read in conjunction with them.

Chairman : SHEN,KUO-JUNG

Manager : WANG,CHIAO-CHI

Accounting Manager : CHEN, CHANG-YUAN

Hwa Fong Rubber Industrial Co., Ltd
Parent Company Only Statements of Changes in Equity
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000

	Note	Retained					earnings		Other		equities		
		Share capital - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Equity			
<u>2022</u>													
Balance on 1 January 2022		\$ 2,793,492	\$ 37,290	\$ 21,456	\$ 70,030	\$ 270,793	(\$ 90,985)	(\$ 57,966)	\$	3,044,110			
Net profit for the year 2022		-	-	-	-	294,488	-	-		294,488			
Other comprehensive income for the period	6(16)	-	-	-	-	13,169	136,437	3,225		152,831			
Total comprehensive income for the period		-	-	-	-	307,657	136,437	3,225		447,319			
Appropriation and distribution of earnings for the six months ended December 31, 2021	6(15)	-	-	-	-	-	-	-		-			
Legal reserve		-	-	14,547	-	(14,547)	-	-		-			
Special reserve		-	-	-	78,923	(78,923)	-	-		-			
Cash dividends		-	-	-	-	(139,675)	-	-		(139,675)			
Appropriation and distribution of earnings for the six months ended June 30, 2022	6(15)	-	-	14,028	-	(14,028)	-	-		-			
Legal reserve		-	-	-	(36,549)	36,549	-	-		-			
Special reserve		-	-	-	-	(139,675)	-	-		-			
Cash dividends		-	-	\$ 50,031	\$ 112,404	\$ 228,151	\$ 45,452	(\$ 54,741)		(139,675)			
Balance on December 31, 2022		\$ 2,793,492	\$ 37,290	\$ 50,031	\$ 112,404	\$ 228,151	\$ 45,452	(\$ 54,741)	\$	3,212,079			
<u>2023</u>													
Balance on 1 January 2023		\$ 2,793,492	\$ 37,290	\$ 50,031	\$ 112,404	\$ 228,151	\$ 45,452	(\$ 54,741)	\$	3,212,079			
Net profit for the year 2023		-	-	-	-	422,342	-	-		422,342			
Other comprehensive income for the period	6(16)	-	-	-	-	375	5,774	33,307		38,706			
Total comprehensive income for the period		-	-	-	-	421,967	5,774	33,307		461,048			
Changes in associates accounted for using equity method	6(14)	-	(116)	-	-	-	-	-		(116)			
Appropriation and distribution of earnings for the six months ended December 31, 2022	6(15)	-	-	-	-	-	-	-		-			
Legal reserve		-	-	16,737	-	(16,737)	-	-		-			
Special reserve		-	-	-	(103,115)	103,115	-	-		-			
Cash dividends		-	-	-	-	(111,740)	-	-		(111,740)			
Appropriation and distribution of earnings for the six months ended June 30, 2023	6(15)	-	-	17,997	-	(17,997)	-	-		-			
Legal reserve		-	-	-	(2,968)	2,968	-	-		-			
Special reserve		-	-	-	-	(111,740)	-	-		-			
Cash dividends		-	-	-	-	-	-	-		-			
Balance on December 31, 2023		\$ 2,793,492	\$ 37,174	\$ 84,765	\$ 6,321	\$ 497,987	\$ 51,226	(\$ 21,434)	\$	3,449,531			

The accompanying notes to the parent company only financial statements form part of these parent company only financial statements and should be read in conjunction with them.

Chairman : SHEN,KUO-JUNG

Manager : WANG,CHIAO-CHI

Accounting Manager : CHEN, CHANG-YUAN

Hwa Fong Rubber Industrial Co., Ltd.
Parent Company Only Statements of Cash Flows
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000

	Note	January 1 - December 31, 2023	January 1 - December 31, 2022
<u>Cash flows from operating activities</u>			
Net profit before tax for the period		\$ 524,030	\$ 390,404
Adjusted Items			
Profit and loss items			
Depreciation expense	6(7)(8)(22)	85,939	92,446
Amortization expense	6(22)	138	147
Expected credit impairment loss	12(2)	-	14,650
Gain on disposal of property, plant and equipment	6(20)	(865)	(4,271)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(131,422)	(87,615)
Interest expense	6(21)	33,432	32,203
Interest income	6(18)	(8,865)	(2,301)
Realized loss (gain) on sales		2,358	(3,368)
Changes in assets/liabilities related to operating activities			
Changes in assets/liabilities related to operating activities			
Notes receivable, net		281	15,374
Accounts receivable (including related parties)		(34,301)	14,721
Inventories		32,253	16,575
Other receivables (including related parties)		192,880	(23,743)
Other current assets		(23,057)	1,684
Net change in liabilities related to operating activities			
Contract liabilities - current		13,741	(3,453)
Accounts payable (including related parties)		(10,444)	(9,990)
Other payables		1,330	(20,019)
Net defined benefit liabilities		(8,595)	(9,495)
Other current liabilities		5,494	(2,258)
Cash inflows from operations		674,327	411,691
Dividends received		109,960	121,789
Interest received		8,865	2,301
Interest paid		(33,319)	(32,099)
Income tax paid		(90,826)	(70,014)
Net cash inflow from operating activities		669,007	433,668
<u>Cash flows from investing activities</u>			
Disposal of financial assets measured at amortized cost		34,281	129,085
Acquisition of investments accounted for using equity method	6(6)	(223,720)	-
Acquisition of property, plant and equipment	6(25)	(25,625)	(39,377)
Disposal of property, plant and equipment		-	21,130
Decrease in refundable deposits		1,478	25,569
Acquisition of intangible assets		(1,240)	-
Net cash inflow (outflow) from investing activities		(214,826)	136,407
<u>Cash flows from financing activities</u>			
Changes in short-term borrowings	6(26)	(62,500)	(138,078)
Borrowings of long-term borrowings	6(26)	1,050,000	100,000
Repayment of long-term borrowings	6(26)	(1,079,800)	(223,334)
Change in short-term bills payables	6(26)	-	(49,979)
Repayment of lease principal	6(26)	(1,268)	(2,464)
Increase in guaranteed deposits received	6(26)	-	216
Cash dividends paid	6(15)(26)	(223,480)	(279,350)
Net cash outflow from financing activities		(317,048)	(592,989)
Increase (decrease) in cash and cash equivalents for the period		137,133	(22,914)
Balance of cash and cash equivalents at the beginning of the period		478,078	500,992
Balance of cash at the end of the period		\$ 615,211	\$ 478,078

The accompanying notes to the parent company only financial statements form part of these parent company only financial statements and should be read in conjunction with them.

Chairman : SHEN,KUO-JUNG

Manager : WANG,CHIAO-CHI

Accounting Manager : CHEN, CHANG-YUAN

INDEPENDENT AUDITORS' REPORT

(2024) No. Financial Auditing- 23005031

To: The Board of Directors and Shareholders
Hwa Fong Rubber Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Hwa Fong Rubber Industrial Co., Ltd. and subsidiaries (the "Hwa Fong Group") as of December 31, 2023 and 2022, and the related consolidated statements of income, changes in equity, and cash flows for the years ended December 31, 2023 and 2022, and January 1 to December 31, 2022, and the related consolidated notes to the financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits and the reports of the other auditors (see other matters), the consolidated financial statements referred to above have been prepared, in all significant respects, in accordance with International Financial Reporting Standards for Securities Issuers and International Accounting Standards, Interpretations and Explanatory Notes, as approved by the Financial Supervisory Commission, and are sufficient to present fairly the consolidated financial position of the Hwa Fong Group as of December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for the years from January 1 to December 31, 2023 and 2022.

Basis for Opinion

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibility under those standards is further described in the paragraph of our responsibility to audit the consolidated financial statements. The staff of the firm to which we belong are subject to the code of ethics for accountants in the Republic of China and have maintained a high degree of independence from the Hwa Fong Group and have fulfilled other responsibilities in accordance with that code. Based on our audits and the reports of the other auditors, we believe that we have obtained sufficient and appropriate evidence to form the basis of our audit opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgment, are most significant to our audit of the financial statements of Hwa Fong Group for the year 2023. We do not express an opinion on those matters individually.

Evaluation of allowance for losses on accounts receivable

Matter Description

Please refer to Note 4(11) to the consolidated financial statements for the accounting policy on the evaluation of accounts receivable; Note 5(2) to the consolidated financial statements for the accounting estimates and assumption uncertainties on the evaluation of accounts

receivable; and Note 6(5) to the consolidated financial statements for the description of accounting accounts receivable.

Some of Hwa Fong Group's businesses are sold through distributors in different regions. The financial condition of the distributors will affect the collectability of accounts receivable. Since the impact of accounts receivable on the overall financial statements is significant, and the allowance for losses on accounts receivable is measured based on the expected credit risk loss over the period of time, the measurement process requires appropriate grouping of accounts receivable and judgmental analysis of the application of assumptions related to the measurement process, including the consideration of appropriate aging ranges and loss ratios for each aging range, and the measurement of expected credit losses often involves subjective judgment, analysis and estimation, and The measurement results affect the net accounts receivable. Therefore, we consider the evaluation of accounts receivable to be one of the most important matters to be considered in this year's audit.

In accordance with the audit procedure

The procedures that we have performed in response to the specific aspects of the critical audit described above are set out below:

1. Obtain the expected loss rates calculated by management based on historical and forward-looking information for similar credit risk groups in order to assess the reasonableness of the accounts receivable provision.
2. Verify the correctness of the aging report used by Hwa Fong Group to evaluate the accounts receivable to confirm that the reported information is consistent with its policies.
3. To test the collectability of accounts receivable by sampling the post-period cash collections.
4. For accounts that are past due and uncollectible, to understand the customer's historical payment status, the availability of collaterals and other repayment ability in order to assess the adequacy of the allowance for losses provided by management.

Evaluation of allowance for losses on inventories

Matter Description

Please refer to Note 4(13) to the consolidated financial statements for the accounting policies for inventory valuation; Note 5(2) to the consolidated financial statements for the accounting estimates and assumption uncertainties for inventory valuation; and Note 6(6) to the consolidated financial statements for the description of the accounting for inventories.

Hwa Fong Group's inventories are measured at cost and net realizable value, and an allowance for impairment loss is provided for inventories that are older than a specified period and for inventories that are individually identified as obsolete, depending on the extent of inventory depletion. As inventories are subject to fluctuations in international raw material prices and market supply and demand, raw material costs and product selling prices may fluctuate significantly, resulting in a higher risk that the net realizable value of inventories will fall below their carrying value and become stagnant. In view of the high degree of estimation uncertainty associated with the valuation of obsolete inventory items and the net realizable value used in valuing them, due to the diversity of product types, we consider the valuation of

allowance for impairment loss on inventories to be one of the most important matters for this year's audit.

In accordance with the audit procedure

The procedures that we have performed in response to the specific aspects of the critical audit described above are set out below:

1. To understand the operating and industrial characteristics of Hwa Fong Group and evaluate the reasonableness of the valuation loss of its allowance for inventories and the reasonableness of the provisioning policy adopted.
2. To review its annual inventory plan and participate in annual inventory counts to assess the effectiveness of management's control of obsolete and damaged stock.
3. To verify the correctness of the inventory ageing statements used by the Sino-Forest Group for evaluation purposes to confirm that the information in the statements is consistent with its policies.
4. To obtain a statement of the net realizable value of each inventory, confirm that the logic of its calculation is consistently applied, test the information on which the net realizable value of the inventory is estimated, including verification of supporting documents such as selling prices and purchase prices, and recalculate and assess the reasonableness of the valuation of the inventory.

Other Matter–Reference to other accountants' audit

The financial statements of certain subsidiaries and equity-method investees included in the consolidated financial statements of the Hwa Fong Group have not been audited by us, but by other auditors. Accordingly, our opinion on the consolidated financial statements referred to above is based on the reports of other auditors as to the amounts included in the financial statements of those companies. As of December 31, 2023 and 2022, the companies' total assets (including investments accounted for using the equity method) amounted to NT\$972,967 thousand and NT\$835,954 thousand, respectively, accounting for 12.25% and 10.36% of the consolidated total assets, and operating revenues from January 1 to December 31, 2023 and 2022 amounted to NT\$646,040 thousand and NT\$618,570 thousand, respectively, accounting for 13.82% and 11.42% of the consolidated net operating revenues.

Other Matter–Parent Company Only Financial Statements

We have also audited the parent company only financial statements of Hwa Fong Rubber Industrial Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified opinion with other matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory

Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to 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 members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements arising from fraud or error; design and implement appropriate responses to the risks assessed; and obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. The risk of material misstatement, whether due to fraud, forgery, intentional omission, misstatement or a breach of internal control, is higher than the risk of non-detection of material misstatement due to fraud.
2. Obtain such understanding of internal control relevant to the audit as is necessary to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hwa Fong Group's internal control.
3. Evaluate the appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures made by management.
4. Based on the evidence obtained, we draw conclusions about the appropriateness of management's adoption of the going concern basis of accounting and about whether there is any material uncertainty about events or conditions that might cast significant doubt about Hwa Fong Group's ability to continue as a going concern. If we believe that there is significant uncertainty about those events or circumstances, we must draw the attention of users of the consolidated financial statements to the relevant disclosures in the consolidated financial statements in our audit report or revise our audit opinion if

those disclosures are inappropriate. Our conclusion is based on the audit evidence available to us as of the date of the audit report. However, future events or circumstances may cause Hwa Fong Group to cease to be able to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the related notes) and whether the consolidated financial statements present fairly the underlying transactions and events.
6. We obtain sufficient and appropriate audit evidence about the financial information of the constituent entities of 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 and for forming an opinion on the Group's audit.

We communicate with the governance entity regarding the scope and timing of the planned audit and significant audit findings (including significant deficiencies in internal control identified in the course of the audit).

We also provide the governance entity with a statement that the personnel of the firm to which we report are subject to the independence requirements of the R.O.C. Code of Ethics for Accountants and communicate with the governance entity about all relationships and other matters (including related safeguards) that could be considered to affect the accountant's independence.

We determined, based on the matters communicated to us by the governance entity, the key matters that we considered in our audit of the Group's consolidated financial statements for 2023. We identified those matters in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, where we decided not to communicate those matters in our auditor's report because the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

PWC Taiwan

WU,SUNG-YUAN

CPA

HSU,CHIEN-YEH

Financial Supervisory Commission

Certified Registration No. :

Financial-Supervisory-Securities-Auditing- 1090350620

Financial-Supervisory-Securities-Auditing- 1050035683

March 13, 2024

Hwa Fong Rubber Industrial Co., Ltd and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NT\$1,000

ASSETS		Note	D e c e m b e r 3 1 , 2 0 2 3		D e c e m b e r 3 1 , 2 0 2 2			
			A m o u n t	%	A m o u n t	%		
CURRENT ASSETS								
1100	Cash and cash equivalents	6(1)	\$	2,496,578	32	\$	1,702,701	21
1110	Financial assets at fair value through profit or loss - current	6(2)		108,495	1		116,691	2
1136	Financial assets at fair value through P/L - current amortized cost	6(4)		86,927	1		26,475	-
1150	Notes receivable, net	6(5)		28,303	-		24,239	-
1170	Accounts receivable, net	6(5)		589,029	8		712,792	9
1180	Accounts receivable - related parties, net	7(2)		2,648	-		9,336	-
1200	Other receivables			11,861	-		33,189	1
130X	Inventory	6(6)		1,011,959	13		1,070,075	13
1470	Other current assets			32,059	-		27,132	-
11XX	Total current assets			4,367,859	55		3,722,630	46
Non-current assets								
1517	Financial assets at fair value through other comprehensive income or loss - non-current	6(3)		267,793	3		233,786	3
1535	Financial assets measured at amortized cost - non-current	6(4) &8		68,320	1		102,601	1
1550	Investments accounted for using the equity method	6(7)		277,479	4		285,636	4
1600	Property, plant and equipment	6(8) &8		2,708,959	34		3,352,587	42
1755	Right-of-use assets	6(9)		2,795	-		42,004	1
1760	Net investment property	6(10)		128,135	2		196,741	2
1780	Intangible assets			1,631	-		803	-
1840	Deferred income tax assets	6(26)		115,630	1		114,857	1
1900	Other non-current assets	8		4,645	-		15,245	-
15XX	Total non-current assets			3,575,387	45		4,344,260	54
1XXX	Total assets		\$	7,943,246	100	\$	8,066,890	100

(Continued on next page)

Hwa Fong Rubber Industrial Co., Ltd and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NT\$1,000

LIABILITIES AND EQUITY			D e c e m b e r 3 1 , 2 0 2 3		D e c e m b e r 3 1 , 2 0 2 2			
			Note	A m o u n t	%	A m o u n t	%	
CURRENT ASSETS								
2100	Short-term borrowings	6(11) &8	\$	361,354	5	\$	623,144	8
2130	Contract liabilities - current	6(20)		72,700	1		74,453	1
2170	Accounts Payable			345,088	4		331,917	4
2200	Other payables	6(12)		282,381	4		254,154	3
2220	Other payables - related parties	7(2)		2,406	-		1,456	
2230	Current income tax liabilities			100,083	1		60,201	1
2250	Short-term borrowings	6(13)		94,623	1		3,793	-
2280	Lease liabilities - current	6(9)		350	-		1,350	-
2320	Long-term liabilities due within one year or one business cycle	6(14)		279,390	4		250,685	3
2399	Other current liabilities - other	6(20) &8		39,518	-		33,855	-
21XX	Total current liabilities			1,577,893	20		1,635,008	20
Non-current liabilities								
2540	Long-term borrowings	6(14) &8		1,000,000	13		1,309,445	16
2570	Deferred income tax liabilities	6(26)		269,330	3		270,753	4
2580	Lease liabilities - non-current	6(9)		884	-		820	-
2600	Other non-current liabilities	6(15)		64,200	1		71,478	1
25XX	Total non-current liabilities			1,334,414	17		1,652,496	21
2XXX	Total liabilities			2,912,307	37		3,287,504	41
Equity								
Equity attributable to owners of the parent company								
	Share capital	6(16)						
3110	Common share capital			2,793,492	35		2,793,492	35
	Capital Surplus	6(17)						
3200	Capital Surplus			37,174	-		37,290	-
	Retained earnings	6(18)						
3310	Legal surplus reserve			84,765	1		50,031	1
3320	Special surplus reserve			6,321	-		112,404	1
3350	Undistributed earnings			497,987	6		228,151	3
	Other equity	6(19)						
3400	Other equity		(	29,792	1	(	9,289	-)
31XX	Total equity attributable to owners of the parent company			3,449,531	43		3,212,079	40
36XX	Non-controlling interests	4(3)		1,581,408	20		1,567,307	19
3XXX	Total equity			5,030,939	63		4,779,386	59
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	9						
	Significant subsequent events	11						
3X2X	Total liabilities and equity		\$	7,943,246	100	\$	8,066,890	100

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

Chairman : SHEN,KUO-JUNG

Manager : WANG,CHIAO-CHI

Accounting Manager : CHEN, CHANG-YUAN

Hwa Fong Rubber Industrial Co., Ltd and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000
(Except for earnings per share of NTD)

	Item	Note	2023		2022	
			A m o u n t	%	A m o u n t	%
4000	Operating Income	6(20) &7(2)	\$ 4,674,300	100	\$ 5,414,345	100
5000	Operating Costs	6(6) (25)	(3,648,483)	(78)	(4,338,315)	(80)
5900	Gross profit		<u>1,025,817</u>	<u>22</u>	<u>1,076,030</u>	<u>20</u>
	Operating expenses	6(25) &7(2)				
6100	Marketing expenses		(267,725)	(6)	(222,759)	(4)
6200	Management Fees		(265,839)	(6)	(253,828)	(5)
6300	Research and development expenses		(23,781)	-	(31,704)	(1)
6450	Expected credit impairment gains (losses)	12(2)	(13,351)	-	3,527	-
6000	Total operating expenses		<u>(570,696)</u>	<u>(12)</u>	<u>(504,764)</u>	<u>(10)</u>
6900	Operating profit		<u>455,121</u>	<u>10</u>	<u>571,266</u>	<u>10</u>
	Non-operating income and expenses					
7100	Interest income	6(21)	23,400	-	4,785	-
7010	Other income	6(22)	25,969	1	36,803	1
7020	Other gains and losses	6(23)	338,800	7	64,423	1
7050	Finance costs	6(24)	(52,118)	(1)	(56,469)	(1)
7060	Share of profits and losses of affiliated companies and joint ventures recognized using the equity method	6(7)	(7,519)	-	(1,597)	-
7000	Total non-operating income and expenses		<u>328,532</u>	<u>7</u>	<u>47,945</u>	<u>1</u>
7900	Net profit before tax		<u>783,653</u>	<u>17</u>	<u>619,211</u>	<u>11</u>
7950	Income tax expense	6(26)	(252,400)	(6)	(174,866)	(3)
8200	Net profit for the period		<u>\$ 531,253</u>	<u>11</u>	<u>\$ 444,345</u>	<u>8</u>

(Continued on next page)

Hwa Fong Rubber Industrial Co., Ltd and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000
(Except for earnings per share of NTD)

Item			Note	<u>2</u> A	<u>0</u> m	<u>2</u> o	<u>2</u> u	<u>2</u> n	<u>2</u> t	<u>%</u>	<u>2</u> A	<u>0</u> m	<u>2</u> o	<u>2</u> u	<u>2</u> n	<u>2</u> t	<u>%</u>
Other comprehensive income (net)																	
Items not reclassified to profit or loss																	
8311	Remeasurement of defined benefit obligation	6(15)		(\$				469)		-	\$				25,041		1
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	6(3)						34,007		1					5,889		-
8320	Share of other comprehensive income or loss of associated companies and joint ventures recognized using the equity method - not reclassified to profit or loss	6(7)		(				739)		-	(				2,808)		-
8349	Income tax relating to items that are not reclassified	6(26)						94		-	(				5,007)		-
8310	Total items not reclassified to profit or loss							32,893		1					23,115		1
Items that may be reclassified subsequently to profit or loss																	
8361	Exchange differences on translation of financial statements of foreign operating entities							20,570		-					271,636		5
8370	Share of other comprehensive income or loss of associated companies and joint ventures recognized using the equity method - possible reclassification to profit or loss	6(7)		(				1)		-					458		-
8399	Income tax relating to items that may be reclassified	6(26)		(				1,443)		-	(				34,110)	(	1)
8360	Total amount of items that may be reclassified subsequently to profit or loss							19,126		-					237,984		4
8300	Other comprehensive income (net)			\$				52,019		1	\$				261,099		5
8500	Total comprehensive profit or loss for the current period			\$				583,272		12	\$				705,444		13
Net profit attributable to :																	
8610	Owners of the parent company			\$				422,342		9	\$				294,488		5
8620	Non-controlling equity							108,911		2					149,857		3
				\$				531,253		11	\$				444,345		8
Total consolidated profit or loss attributable to :																	
8710	Owners of the parent company			\$				461,048		9	\$				447,319		8
8720	Non-controlling equity							122,224		3					258,125		5
				\$				583,272		12	\$				705,444		13
Basic EPS																	
9750	Basic EPS	6(27)		\$						1.51	\$						1.05
Diluted EPS																	
9850	Diluted EPS	6(27)		\$						1.51	\$						1.05

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

Chairman : SHEN,KUO-JUNG

Manager : WANG,CHIAO-CHI

Accounting Manager : CHEN, CHANG-YUAN

Hwa Fong Rubber Industrial Co., Ltd and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000

E q u i t y a t t r i b u t a b l e t o o w n e r s o f t h e p a r e n t c o m p a n y												
	Note	Share capital - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated		Exchange differences arising on translation of foreign operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling interests	Total equity
						Earnings	Reserve					
2022												
Balance as of January 1, 2022		\$ 2,793,492	\$ 37,290	\$ 21,456	\$ 70,030	\$ 270,793	(\$ 90,985)	(\$ 57,966)	\$ 3,044,110	\$ 1,428,283	\$ 4,472,393	
Net income for fiscal 2022		-	-	-	-	294,488	-	-	294,488	149,857	444,345	
Other comprehensive income for the period		-	-	-	-	13,169	136,437	3,225	152,831	108,268	261,099	
Total comprehensive income for the period		-	-	-	-	307,657	136,437	3,225	447,319	258,125	705,444	
Dividends paid by subsidiaries	4(3)	-	-	-	-	-	-	-	-	(119,101)	(119,101)	
Appropriation and distribution of earnings for the six months ended December 31, 2021	6(18)	-	-	-	-	-	-	-	-	-	-	
Legal surplus reserve		-	-	14,547	-	(14,547)	-	-	-	-	-	
Special surplus reserve		-	-	-	78,923	(78,923)	-	-	-	-	-	
Cash dividends		-	-	-	-	(139,675)	-	-	(139,675)	-	(139,675)	
Appropriation and distribution of earnings for the six months ended June 30, 2022	6(18)	-	-	-	-	-	-	-	-	-	-	
Legal surplus reserve		-	-	14,028	-	(14,028)	-	-	-	-	-	
Special surplus reserve		-	-	-	(36,549)	36,549	-	-	-	-	-	
Cash dividends		-	-	-	-	(139,675)	-	-	(139,675)	-	(139,675)	
Balance as of December 31, 2022		\$ 2,793,492	\$ 37,290	\$ 50,031	\$ 112,404	\$ 228,151	\$ 45,452	(\$ 54,741)	\$ 3,212,079	\$ 1,567,307	\$ 4,779,386	
2023												
Balance as of January 1, 2023		\$ 2,793,492	\$ 37,290	\$ 50,031	\$ 112,404	\$ 228,151	\$ 45,452	(\$ 54,741)	\$ 3,212,079	\$ 1,567,307	\$ 4,779,386	
Net income for fiscal 2023		-	-	-	-	422,342	-	-	422,342	108,911	531,253	
Other comprehensive income for the period		-	-	-	-	375	5,774	33,307	38,706	13,313	52,019	
Total comprehensive income for the period		-	-	-	-	422,717	5,774	33,307	461,048	122,224	583,272	
Changes in associates accounted for using equity method	6(17)	-	(116)	-	-	-	-	-	(116)	(7)	(123)	
Dividends paid by subsidiaries	4(3)	-	-	-	-	-	-	-	-	(108,116)	(108,116)	
Appropriation and distribution of earnings for the six months ended December 31, 2022	6(18)	-	-	-	-	-	-	-	-	-	-	
Legal surplus reserve		-	-	16,737	-	(16,737)	-	-	-	-	-	
Special surplus reserve		-	-	-	(103,115)	103,115	-	-	-	-	-	
Cash dividends		-	-	-	-	(111,740)	-	-	(111,740)	-	(111,740)	
Appropriation and distribution of earnings for the six months ended June 30, 2023	6(18)	-	-	-	-	-	-	-	-	-	-	
Legal surplus reserve		-	-	17,997	-	(17,997)	-	-	-	-	-	
Special surplus reserve		-	-	-	(2,968)	2,968	-	-	-	-	-	
Cash dividends		-	-	-	-	(111,740)	-	-	(111,740)	-	(111,740)	
Balance as of December 31, 2023		\$ 2,793,492	\$ 37,174	\$ 84,765	\$ 6,321	\$ 497,987	\$ 51,226	(\$ 21,434)	\$ 3,449,531	\$ 1,581,408	\$ 5,030,939	

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

Chairman : SHEN,KUO-JUNG

Manager : WANG,CHIAO-CHI

Accounting Manager : CHEN, CHANG-YUAN

Hwa Fong Rubber Industrial Co., Ltd and Subsidiaries
Consolidated Cash Flow Statement
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000

	Note	January 1 - December 3 1 , 2 0 2 3	January 1 - December 3 1 , 2 0 2 2
<u>Cash flows from operating activities</u>			
Net income before tax for the period		\$ 783,653	\$ 619,211
Adjusted items			
Income and expense items			
Depreciation expense	6(8)(9)		
	(25)	197,809	211,435
Amortization expense	6(25)	419	512
Expected credit impairment loss (reversal gain)	12(2)	13,351	(3,527)
Share of interests in affiliated companies and joint ventures recognized using the equity method	6(7)	7,519	1,597
Net gain or loss on financial assets and liabilities measured at fair value through profit or loss	6(2)(23)	6,884	29,660
Gain on disposal of property, plant and equipment, and right-of-use assets	6(23)	(466,138)	(49,711)
Gain on disposal of investment properties	6(23)	(8,342)	-
Interest income	6(21)	(23,400)	(4,785)
Dividend income	6(22)	(2,553)	(2,191)
Interest expense	6(24)	52,118	56,469
Loss on impairment of non-financial assets	6(23)	103,682	-
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes Receivable		(4,132)	18,891
Accounts receivable (including related parties)		122,542	213,348
Other receivables		22,075	24,042
Inventory		61,960	273,002
Other current assets		(8,531)	18,263
Other non-current assets		(688)	14
Net change in liabilities related to operating activities			
Contract liabilities		(2,178)	(8,788)
Notes Payable (Including related parties)		11,633	(211,525)
Other payables		(160,939)	(48,166)
Provision for liabilities		92,346	(13,713)
Other current liabilities		5,424	(3,814)
Other non-current liabilities		(7,990)	(10,437)
Cash inflows from operations		796,524	1,109,787
Interest received		22,603	4,320
Dividends received		2,553	3,783
Interest paid		(52,004)	(56,365)
Income tax paid		(238,794)	(173,259)
Net cash inflow from operating activities		530,882	888,266

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Hwa Fong Rubber Industrial Co., Ltd and Subsidiaries
Consolidated Cash Flow Statement
January 1 - December 31, 2023 and 2022

Unit: NT\$1,000

	Note	January 1 - December 3 1 , 2 0 2 3	January 1 - December 3 1 , 2 0 2 2
<u>Cash flows from investing activities</u>			
Decrease (increase) in financial assets at fair value through profit or loss		\$ 1,888	(\$ 84,756)
Acquisition of financial assets at amortized cost - current		(60,126)	(8,511)
Disposal of financial assets carried at amortized cost - current		-	91,711
Acquisition of property, plant and equipment	6(28)	34,281	45,691
Proceeds from disposal of property, plant and equipment, and right-of-use assets	6(8)(9)	(109,507)	(96,796)
Proceeds from disposal of investment properties	6(10)	1,172,697	23,567
Decrease in refundable deposits		75,074	-
Acquisition of intangible assets		158	30,935
Net cash inflow from investing activities		(1,240)	-
<u>Cash flows from financing activities</u>			
Change in short-term borrowings	6(29)	1,113,225	1,841
Decrease in short-term bills payable	6(29)	(264,721)	(123,204)
Borrowing of long-term borrowings	6(29)	-	(49,979)
Repayment of long-term borrowings	6(29)	1,050,000	143,969
Repayment of lease principal	6(29)	(1,329,979)	(232,994)
Increase in guaranteed deposits received		(1,768)	(2,771)
Cash dividends paid by subsidiaries to non-controlling interests		-	216
Cash dividends paid	4(3)	(108,116)	(119,101)
Change in short-term borrowings	6(18)(29)	(223,480)	(279,350)
Net cash inflow (outflow) from financing activities		(878,064)	(663,214)
Effect of exchange rate changes		27,834	105,156
Increase in cash and cash equivalents for the period		793,877	332,049
Balance of cash and cash equivalents at the beginning of the period		1,702,701	1,370,652
Balance of cash and cash equivalents at the end of the period		<u>\$ 2,496,578</u>	<u>\$ 1,702,701</u>

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

Chairman : SHEN,KUO-JUNG

Manager : WANG,CHIAO-CHI

Accounting Manager : CHEN, CHANG-YUAN

Hwa Fong Rubber Ind. Co., Ltd.

2023 Earnings Distribution Statement

Unit: NTD

	Amount	Remark
Beginning of period undistributed earnings	\$202,788,737	
Net profit after tax	422,342,185	
Changes in ownership interests in subsidiaries of the year 2023	0	
Actuarial interests of defined benefit plan of the year 2023	(374,971)	
Amount of unappropriated earnings	624,755,951	
Legal reserve 10%	(42,196,721)	
Special reserve reversal	9,289,041	
Capital reserve - common stock premium	0	
Distributable net profit	591,848,271	
Distributable items		
Distributed cash dividend (NT\$ 0.4 per share)	(111,739,654)	
Distributed cash dividend (NT\$ 0.8 per share)	(223,479,307)	
Shareholder dividend - stock	0	
Unappropriated retained earnings	\$256,629,310	

Chairman: Shen, Kuo-Jung **Managerial officer:** Wang, Jiaw-Chyi **Accounting supervisor:** Chen, Chang-Yuan

Attachment 6

Hwa Fong Rubber Ind. Co., Ltd. Comparison of Amended Articles of Rules of Procedure for Shareholders Meetings

Amended articles	Current articles	Explanation
Article 1 <u>To establish a sound shareholder meeting governance system, enhance supervisory functions, and strengthen management capabilities within our company, these rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.</u> Unless otherwise specified by laws <u>or</u> the company's articles of association, the proceedings of the company's shareholder meetings shall be governed by these rules.	Article 1 Unless otherwise specified by laws <u>and</u> the company's articles of association, the proceedings of the company's shareholder meetings shall be governed by these rules.	Revision of Existing Articles
Article 2 <u>The company's shareholder meetings shall be convened by the board of directors unless otherwise specified by law.</u> <u>When the company convenes a shareholder meeting via video conference, except where otherwise stipulated by the Guidelines for Handling Corporate Stock Affairs of Publicly Issued Companies, it shall be clearly stated in the articles of association, resolved by the board of directors, and the decision to hold a video conference shall be implemented upon the attendance of two-thirds or more of the directors and the consent of more than half of the attending directors.</u> <u>Any change in the method of convening the company's shareholder meetings shall be resolved by the board of directors and shall be made no later than the dispatch of the meeting notice.</u> <u>The company shall transmit electronically the meeting notice, appointment forms, relevant recognition cases, discussion items, election or removal of directors and supervisors, and other agenda items and explanatory</u>	Article 2 <u>When convening shareholder meetings, this company shall adopt electronic means and may also allow shareholders to exercise their voting rights in writing. The method of exercising such voting rights in writing or electronically shall be specified in the notice convening the shareholder meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to be present at the shareholder meeting. However, with regard to ad hoc motions and amendments to original proposals during the shareholder meeting, such votes shall be considered as abstentions. (The original content of the article is revised and moved to Article 12.)</u>	1. In alignment with the current provisions, new provisions are added to incorporate the convening of shareholder meetings via video conferencing and the deadline and method for uploading relevant documents for shareholder meetings. It also specifies the matters to be listed for convening and the regulations for shareholder proposals. 2. The original content of the

Amended articles	Current articles	Explanation
<u>materials to the Public Information Observation System thirty days prior to the regular shareholder meeting or fifteen days prior to the special shareholder meeting. The company shall also transmit electronically the meeting manual and supplementary meeting materials to the MOPS twenty-one days prior to the regular shareholder meeting or fifteen days prior to the special shareholder meeting. However, if the company's paid-in capital reached or exceeded NT\$2 billion at the end of the most recent fiscal year, or if at the end of the most recent fiscal year, the total foreign and mainland Chinese shareholding ratio listed in the shareholder registry exceeded thirty percent, the company shall complete the transmission of the aforementioned electronic files thirty days prior to the regular shareholder meeting. Fifteen days before the shareholder meeting, the company shall have the meeting manual and supplementary meeting materials available for shareholders' perusal, and these materials shall be made available for inspection at the company's premises and at any professional shareholder service agency appointed by the company.</u> <u>The aforementioned meeting manual and supplementary meeting materials shall be made available to shareholders for inspection in the following ways on the day of the shareholder meeting:</u> <u>(1) If a physical shareholder meeting is convened, the materials shall be distributed at the meeting venue.</u> <u>(2) If a video-assisted shareholder meeting is convened, the materials shall be distributed at the meeting venue and transmitted electronically to the video conferencing platform.</u> <u>(3) If a video shareholder meeting is convened, the materials shall be transmitted electronically to the video conferencing platform.</u> <u>Notices and announcements shall specify the purpose of the meeting; electronic notices may be issued with the consent of</u>		article is revised and moved to Article 12.

Amended articles	Current articles	Explanation
<u>the recipients. Election or removal of directors, supervisors, amendment of the articles of association, reduction of capital, application for cessation of public offering, director non-compete permits, surplus capital increase, capital reserve increase, company dissolution, merger, division, or matters specified in Article 185, Paragraph 1, Subparagraphs 1 to 4 of the Company Act, Article 26-1 and Article 43-6 of the Securities Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be listed and the main content shall be explained in the meeting notice. These matters shall not be raised as ad hoc motions. The purposes of the shareholder meeting have been clearly stated as a comprehensive re-election of directors and supervisors, including the date of assumption of office. After the re-election is completed at the shareholder meeting, the date of assumption of office shall not be changed at the same meeting through ad hoc motions or other means. Shareholders holding more than one percent of the total issued shares may propose items for discussion at each shareholder meeting, with a limit of one proposal per shareholder. If multiple proposals are submitted, none shall be included in the agenda. In addition, if any of the proposals made by the shareholders fall under any of the circumstances specified in Article 172-1, Paragraph 4 of the Company Act, the board of directors may exclude them from the agenda. Shareholders may also propose advisory proposals to urge the company to enhance public interest or fulfill social responsibilities, with a limit of one proposal per shareholder. The procedural requirements for such proposals shall be in accordance with the relevant provisions of Article 172-1 of the Company Act, with a limit of one proposal per shareholder. If multiple</u>		

Amended articles	Current articles	Explanation
<u>proposals are submitted, none shall be included in the agenda.</u> <u>The company shall announce the acceptance of shareholder proposals, the methods of written or electronic submission, the locations and periods of acceptance, no later than the record date prior to the shareholder meeting. The acceptance period shall not be less than ten days.</u> <u>Shareholder proposals shall be limited to three hundred words. Proposals exceeding three hundred words shall not be included in the agenda. Shareholders proposing items shall attend the shareholder meeting in person or authorize others to attend on their behalf and participate in the discussion of the item.</u> <u>The company shall notify the proposing shareholders of the handling results before the date of the shareholder meeting and include the proposals that comply with the provisions of this article in the meeting notice. The board of directors shall explain the reasons for not including the proposals not listed in the agenda at the shareholder meeting.</u>		
<u>Article Deleted</u>	<u>Article 2-1</u> <u>Shareholders themselves or their appointed proxies attending the shareholder meeting shall submit an attendance check-in card for registration by proxy. The number of shares represented by attendance shall be calculated based on the submitted check-in cards plus the number of shares exercised by voting in writing or electronically.</u> <u>(The original content is revised and moved to Article 8.)</u>	Deletion of this article, and the original content is revised and moved to Article 8.
<u>Article 3</u> <u>Shareholders may issue a proxy issued by the company at each shareholder meeting, specifying the scope of authorization and the authorized representative, to attend the shareholder meeting. Each shareholder may issue only one proxy and appoint only one person as the proxy, and the proxy shall</u>	<u>Article 3</u> <u>Attendance and voting at the shareholder meeting shall be based on the number of shares.</u> <u>(The original content of the article is revised and moved to Article 11.)</u>	1. In alignment with the current provisions, specifications regarding the use of proxy forms are provided.

Amended articles	Current articles	Explanation
<u>be delivered to the company five days before the shareholder meeting. In case of duplicate proxies, the one delivered first shall prevail. However, this limit does not apply to the revocation of proxies previously declared. After the proxy is delivered to the company, if the shareholder wishes to attend the shareholder meeting in person or exercise voting rights in writing or electronically, a written notice to revoke the proxy shall be sent to the company two days before the shareholder meeting. The vote exercised by the proxy shall prevail if the revocation is overdue. After the proxy is delivered to the company, if the shareholder wishes to attend the shareholder meeting via video conference, a written notice to revoke the proxy shall be sent to the company two days before the shareholder meeting. The vote exercised by the proxy shall prevail if the revocation is overdue.</u>		2. The original content of the article is revised and moved to Article 11.
Article 4 The location of the company's shareholder meetings shall be determined based on the convenience of shareholders' attendance and suitability for holding the meeting and shall be located at the company's premises or other convenient locations. The meeting start time shall not be earlier than 9:00 a.m. or later than 3:00 p.m., <u>and the meeting location and time shall take into full consideration the opinions of independent directors.</u> <u>When the company convenes a video shareholder meeting, it shall not be subject to the restrictions on the location specified in the preceding paragraph.</u>	Article 4 The location of shareholder meetings shall be determined based on the convenience of shareholders' attendance and suitability for holding the meeting and shall be located at the company's premises or other convenient locations. The meeting start time shall not be earlier than 9:00 a.m. or later than 3:00 p.m..	In alignment with the current provisions, specifications regarding the location of virtual shareholder meetings are added.
Article 5 <u>The company shall specify in the meeting notice the reporting time, reporting location for attending shareholders, nominees, and appointed proxies (hereinafter referred to as "shareholders"), and other matters to be noted.</u> <u>The reporting time for shareholders in the preceding paragraph shall be at least</u>	Article 5 If the shareholder meeting is convened by the board of directors, the chairman shall be the chairman of the board. In the absence or inability to perform duties of the chairman, the vice chairman shall act as the chairman. If there is no vice chairman or the vice chairman is absent or unable to perform duties, the chairman shall appoint one executive director to act	1. In alignment with the current provisions, specifications regarding the content to be included in meeting notices and the

Amended articles	Current articles	Explanation
<u>thirty minutes before the meeting begins, and the reporting location shall be clearly marked with designated personnel to handle it. For video conference shareholder meetings, shareholders who wish to attend via video conference shall report to the video conference platform at least thirty minutes before the meeting begins. Shareholders who have reported on time shall be considered as personally attending the shareholder meeting. Shareholders shall attend the shareholder meeting with an attendance certificate, attendance sign-in card, or other attendance documents. The company shall not arbitrarily increase the requirements for other proof documents based on the documents relied upon by shareholders for attendance. Nominees for proxies shall also carry identification documents for verification. The company shall provide a sign-in book for shareholders to sign in or accept sign-in cards from attending shareholders for proxy signing. The company shall provide the meeting manual, annual report, attendance certificate, speech slips, voting cards, and other meeting materials to attending shareholders. If there is an election of directors or supervisors, separate voting slips shall be provided. When the government or a legal entity is a shareholder, the representative attending the shareholder meeting is not limited to one person. When a legal entity is entrusted to attend the shareholder meeting, only one person shall be designated to represent it. When a shareholder meeting is convened via video conference, shareholders who wish to attend via video conference shall register with the company at least two days before the shareholder meeting.</u>	as the chairman. If there are no executive directors, one director shall be appointed, and if the chairman does not designate a proxy, one executive director or director shall be designated by mutual recommendation. If the shareholder meeting is convened by a person other than the Board of Directors, the chairman shall be assumed by that person. (The original content of the article is revised and moved to Article 6.)	regulations for attendance registration are provided. 2. The original content of the article is revised and moved to Article 6.
<u>Article 5-1</u> <u>When the company convenes a video conference shareholder meeting, the following matters shall be specified in the meeting notice:</u>		In alignment with the current provisions, new provisions specifying the

Amended articles	Current articles	Explanation
<u>I. Methods for shareholders to participate in the video conference and exercise their rights.</u> <u>II. Measures to be taken in case of obstacles to participating in or participating in the video conference due to natural disasters, emergencies, or other force majeure circumstances. These measures shall include at least the following:</u> <u>(1) If the aforementioned obstacles persist and cannot be resolved, resulting in the need to postpone or continue the meeting, the date for postponement or continuation of the meeting shall be stated, as well as the date for resuming the meeting if postponed or continued.</u> <u>(2) Shareholders who did not register to participate in the original video conference may not participate in the postponed or continued meeting.</u> <u>(3) If a video-assisted shareholder meeting cannot continue as a video conference, and after deducting the attendance of shareholders participating via video conference, the total shares represented at the meeting still reach the statutory quorum for convening the meeting, the meeting shall proceed, and the shareholders participating via video conference shall be counted towards the total shares represented at the meeting, and they shall be deemed to have abstained from voting on all agenda items at the meeting.</u> <u>(4) Procedures for cases where all agenda items have been announced and no ad hoc motions have been made.</u> <u>III. When convening a video conference shareholder meeting, appropriate alternative measures provided to shareholders who have difficulties participating via video conference 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, at least communication equipment and necessary assistance shall</u>		content to be included in meeting notifications when convening shareholder meetings via video conferencing are added.

Amended articles	Current articles	Explanation
<u>be provided, and shareholders shall be informed of the application period and other relevant matters that need attention.</u>		
Article 6 If the shareholder meeting is convened by the board of directors, the chairman shall be the chairman of the board. In the absence or inability to perform duties of the chairman, the vice chairman shall act as the chairman. If there is no vice chairman or the vice chairman is absent or unable to perform duties, the chairman shall appoint one executive director to act as the chairman. If there are no executive directors, one director shall be appointed, and if the chairman does not designate a proxy, one executive director or director shall be designated by mutual recommendation. <u>The chairman appointed as mentioned above should be an executive director or director who has served for more than six months and understands the financial and business conditions of the company. The same applies if the chairman is the representative of a corporate director. If the shareholder meeting is convened by the board of directors, it should be presided over by the chairman, and at least more than half of the directors of the board and at least one representative from each functional committee should attend, and the attendance should be recorded in the minutes of the shareholder meeting.</u> If the shareholder meeting is convened by a person other than the Board of Directors, the chairman shall be assumed by that person, <u>if there are more than two persons with the right to convene, they shall appoint one chairman by mutual recommendation.</u> The company may appoint the appointed lawyer, accountant, or relevant personnel to attend the shareholder meeting.	Article 6 The company may appoint its appointed lawyer, accountant, or relevant personnel to attend the shareholder meeting. <u>Personnel handling the affairs of the shareholder meeting shall wear identification cards or armbands.</u>	1. In alignment with the current provisions, requirements for acting chairpersons and attendance requirements for board meetings are supplemented. 2. The original content of Articles 5 is merged and revised.
Article 7 The company shall continuously record <u>and</u> videotape the entire process of shareholder <u>registration, meeting proceedings, and vote counting from the</u>	Article 7 The company shall continuously record <u>or</u> videotape the entire process of shareholder meeting. The audiovisual	In alignment with the current provisions.

Amended articles	Current articles	Explanation
<u>time of shareholder registration acceptance.</u> The audiovisual materials mentioned above shall be kept for at least one year. <u>However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, they shall be kept until the end of the lawsuit.</u> <u>If the shareholder meeting is held via video conference, the company shall record and save the registration, registration, check-in, questioning, voting, and company voting results of the shareholders, and record and videotape the entire process of the video conference.</u> <u>The company shall properly keep the above-mentioned data and audiovisual recordings during the retention period and provide the audiovisual recordings to the entrusted personnel responsible for handling video conference affairs.</u> <u>If the shareholder meeting is held via video conference, the company should record and videotape the operation interface of the video conference platform.</u>	materials mentioned above shall be kept for at least one year.	
Article 8 <u>The attendance of the shareholder meeting shall be based on the number of shares. The number of attending shares shall be calculated based on the signature book or the attendance card submitted, and the number of shares exercised by written or electronic voting shall be counted.</u> Once the meeting time has arrived, the chairman shall announce the commencement of the meeting and simultaneously announce relevant information such as the number of votes without voting rights and the total shares attended. However, if less than half of the total issued shares are represented by attending shareholders, the chairman may announce a postponement of the meeting. The meeting may be postponed up to two times, with a total postponement time not exceeding one hour. <u>If even after two</u>	Article 8 Once the meeting time has arrived, the chairman shall announce the commencement of the meeting and simultaneously announce relevant information such as the number of votes without voting rights and the total shares attended. However, if less than half of the total issued shares are represented by attending shareholders, the chairman may announce a postponement of the meeting. The meeting may be postponed up to two times, with a total postponement time not exceeding one hour. If even after two postponements, there are still not enough attending shareholders representing one-third of the total issued shares, a false resolution may be made in accordance with Article 175, Paragraph 1 of the Company Act. Before the end of the meeting, if the attending shareholders represent more	1. In alignment with the current provisions. 2. The original content of Article 2-1 is merged and revised.

Amended articles	Current articles	Explanation
<u>postponements, there are still not enough attending shareholders representing one-third of the total issued shares, the chairman may announce the adjournment of the meeting. If the shareholder meeting is held via video conference, the company shall also announce the adjournment of the meeting on the shareholder meeting video conference platform.</u> If even after two postponements, there are still not enough attending shareholders representing one-third of the total issued shares, a false resolution may be made in accordance with Article 175, Paragraph 1 of the Company Act, <u>and the false resolution shall be notified to the shareholders for another shareholder meeting within one month. If the shareholder meeting is held via video conference and shareholders wish to attend via video, they shall re-register with the company in accordance with Article 6.</u> Before the end of the meeting, if the attending shareholders represent more than half of the total issued shares, the chairman may resubmit the false resolution made according to Article 174 of the Company Act for voting.	than half of the total issued shares, the chairman may resubmit the false resolution made according to Article 174 of the Company Act for voting.	
Article 9 If the shareholder meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and all related proposals (including ad hoc motions and amendments to original proposals) shall be voted on individually. The meeting shall proceed according to the scheduled agenda, and changes shall not be made without the resolution of the shareholder meeting. If the shareholder meeting is convened by a person other than the board of directors with the right to convene, the provisions of the preceding paragraph shall apply. Before the conclusion of the agenda items (including ad hoc motions), the chairman shall not adjourn the meeting	Article 9 If the shareholder meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and all related proposals (including ad hoc motions and amendments to original proposals) shall be voted on individually. The meeting shall proceed according to the scheduled agenda, and changes shall not be made without the resolution of the shareholder meeting. If the shareholder meeting is convened by a person other than the board of directors with the right to convene, the provisions of the preceding paragraph shall apply. Before the conclusion of the agenda items (including ad hoc motions), the	1. In alignment with the current provisions. 2. The original content of Article 14 is merged.

Amended articles	Current articles	Explanation
without a resolution. <u>If the chairman violates the rules of procedure and adjourns the meeting, with the consent of more than half of the voting rights of the attending shareholders, a new chairman may be elected to continue the meeting.</u> The chairman should provide ample explanation and discussion opportunities for proposals or amendments made by shareholders or ad hoc motions. When it is deemed that a sufficient level of discussion has been reached, the chairman may announce the cessation of discussion and proceed to the vote, arranging adequate voting time.	chairman shall not adjourn the meeting without a resolution. <u>After the meeting adjourns, shareholders may not elect another chairman to continue the meeting at the original venue or find another location.</u>	
Article 10 Before speaking at the shareholder meeting, attendees must fill out a speaking slip indicating the purpose of the speech, shareholder account number (or attendance certificate number), and account name, and the chairman shall determine the order of speaking. Attendees who only submit speaking slips without speaking shall be considered as not having spoken. If the content of the speech does not match the information on the speaking slip, the content of the speech shall prevail. <u>For the same agenda item, each shareholder may speak no more than twice with the consent of the chairman, and each time may not exceed five minutes. However, the chairman may prohibit a shareholder from speaking if the speech violates the regulations or exceeds the scope of the agenda.</u> While a shareholder is speaking, other shareholders shall not speak or disrupt without the consent of the chairman and the speaking shareholder, and the chairman shall intervene if there is a violation. <u>When a legal entity shareholder appoints more than one representative to attend the shareholders' meeting, only one person may speak on the same agenda item.</u>	Article 10 Before speaking at the shareholder meeting, attendees must fill out a speaking slip indicating the purpose of the speech, shareholder account number (or attendance certificate number), and account name, and the chairman shall determine the order of speaking. Attendees who only submit speaking slips without speaking shall be considered as not having spoken. If the content of the speech does not match the information on the speaking slip, the content of the speech shall prevail. While a shareholder is speaking, other shareholders shall not speak or disrupt without the consent of the chairman and the speaking shareholder, and the chairman shall intervene if there is a violation.	1. In alignment with the current provisions, new provisions regarding proposals for virtual shareholder meetings are added. 2. The original content of Articles 11, 12, and 13 is merged and revised.

Amended articles	Current articles	Explanation
After a shareholder speaks at the meeting, the chairperson may personally respond or designate relevant personnel to respond. <u>For shareholders participating via video conference, they may submit questions in writing on the video conference platform from the commencement of the meeting by the chairman until the adjournment of the meeting, with each agenda item limited to two questions, each limited to two hundred words, and not subject to the provisions of paragraphs one to five. Questions that do not violate the regulations or exceed the scope of the agenda shall be disclosed on the video conference platform for the shareholders' knowledge.</u>		
Article 11 Voting at the shareholder meeting shall be based on the number of shares. <u>The resolution of the shareholder meeting shall not include the number of shares of shareholders without voting rights. When shareholders have a conflict of interest with respect to matters at the meeting that may harm the interests of the company, they may not participate in the vote, nor may they act as proxies for other shareholders to exercise their voting rights. The shares for which voting rights cannot be exercised shall not be counted in the voting rights of the attending shareholders. Except for trust enterprises or securities agencies approved by the competent authority, when one person simultaneously represents two or more shareholders, the voting rights of the proxy shall not exceed three percent of the voting rights of the total issued shares, and if exceeded, the excess voting rights shall not be counted.</u>	Article 11 Each shareholder may speak no more than twice with the consent of the chairman, and each time may not exceed five minutes. However, the chairman may prohibit a shareholder from speaking if the speech violates the regulations or exceeds the scope of the agenda. (The original content of the article is revised and moved to Article 10)	1. In alignment with the current provisions, specifications regarding the calculation of voting rights at shareholder meetings are provided. 2. The original content of Articles 3 is merged and revised. 3. The original content of the article is revised and moved to Article 10.
Article 12 <u>Each shareholder shall have one voting right per share; provided, however, that those subject to restrictions or without voting rights as listed in Article 179,</u>	Article 12 <u>When a legal entity is entrusted to attend a shareholders' meeting, only one representative may be appointed by the legal entity to attend.</u>	1. In alignment with the current provisions, specifications regarding the

Amended articles	Current articles	Explanation
<u>Paragraph 2 of the Company Law shall not be subject to this restriction.</u> When convening shareholder meetings, this company shall adopt electronic means and may also allow shareholders to exercise their voting rights in writing. The method of exercising such voting rights in writing or electronically shall be specified in the notice convening the shareholder meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to be present at the shareholder meeting. However, with regard to ad hoc motions and amendments to original proposals during the shareholder meeting, such votes shall be considered as abstentions, <u>so the Company should avoid proposing temporary motions and amendments to original proposals.</u> <u>Shareholders exercising voting rights in writing or electronically shall deliver their expressions of intent to the Company two days before the shareholder meeting. In the event of duplicate expressions of intent, the one received first shall prevail. However, this limit shall not apply to declarations revoking prior expressions of intent. After exercising voting rights in writing or electronically, if a shareholder wishes to attend the shareholder meeting in person or via video conference, the shareholder shall revoke the expression of intent to exercise voting rights in the same manner as exercised before the shareholder meeting two days before the meeting. If revoked after the deadline, the voting rights exercised in writing or electronically shall prevail. If a shareholder exercise voting rights in writing or electronically and appoints a proxy to attend the shareholder meeting, the voting rights exercised by the proxy attending the meeting shall prevail.</u> Unless otherwise provided by the Company Law or the Articles of Association, resolutions shall be passed with the consent of more than half of the voting rights represented by the attending	When a legal entity shareholder appoints more than one representative to attend the shareholders' meeting, only one person may speak on the same agenda item. (The original content of the article is revised and moved to Article 10.)	exercise of voting rights at shareholder meetings are provided. 2. The original content of Articles 2, 15, 17, and 18 is merged and revised. 3. The original content of the article is revised and moved to Article 10.

Amended articles	Current articles	Explanation
shareholders. During voting, <u>the total voting rights of the attending shareholders shall be announced by the chairperson or the person designated by the chairperson, and the shareholders shall vote on each item in turn. The results of shareholders' agreement, objection, and abstention shall be entered into the Public Information Observation Platform on the day of the shareholder meeting.</u> When there are amendments or alternative proposals for the same agenda item, the chairperson shall determine the voting sequence along with the original proposal. If one of the proposals has already been passed, the other proposals shall be deemed rejected, and there is no need for further voting. The chairperson shall appoint the scrutineers and vote counters for the voting of resolutions, but the scrutineers must be shareholders. <u>The vote counting for resolutions or election proposals of the shareholder meeting shall be conducted openly within the shareholder meeting venue, and the results of the vote shall be announced on the spot after the counting is completed, including the statistical number of votes, and a record shall be made.</u> <u>When the Company convenes a virtual shareholder meeting, shareholders participating via video conference shall conduct voting on various agenda items and election proposals through the video conference platform, and the voting shall be completed before the chairperson announces the end of the voting. Failure to vote on time shall be considered abstention.</u> <u>When a virtual shareholder meeting is convened, the voting shall be conducted once the chairperson announces the end of the voting, and the voting and election results shall be announced.</u> <u>When the Company convenes a virtual shareholder meeting, shareholders who have registered to attend the shareholder meeting via video conference in</u>		

Amended articles	Current articles	Explanation
<u>accordance with Article 6 and wish to attend the physical shareholder meeting in person shall revoke their registration in the same manner as the registration two days before the shareholder meeting; if the revocation is made after the deadline, they may only attend the shareholder meeting via video conference.</u> <u>Shareholders who have exercised voting rights in writing or electronically and participate in the shareholder meeting via video conference shall not exercise voting rights on the original proposals or amendments to the original proposals or exercise voting rights on the original proposals or amendments to the original proposals unless they violate the rules of procedure.</u>		
Article 13: <u>When electing directors at a shareholder meeting, the relevant selection rules established by the Company shall be followed, and the election results shall be announced on the spot, including the list of elected directors, their voting rights, the list of unsuccessful candidates, and their voting rights.</u> <u>The election ballots for the election items shall be sealed and signed by the vote counters and properly kept, and shall be kept for at least one year. However, if a lawsuit is filed by shareholders pursuant to Article 189 of the Company Law, they shall be kept until the conclusion of the lawsuit.</u>	Article 13 After a shareholder speaks at the meeting, the chairperson may personally respond or designate relevant personnel to respond. (The original content of the article is revised and moved to Article 10.)	1. In alignment with the current provisions, specifications regarding director elections are provided. 2. The original content of the article is revised and moved to Article 10.
Article 14 <u>Resolutions of the shareholder meeting shall be recorded in minutes, signed or sealed by the chairperson, and distributed to each shareholder within twenty days after the meeting. The preparation and distribution of the minutes may be done electronically.</u> <u>The distribution of the minutes as mentioned in the preceding paragraph may be made by public announcement through the MOPS.</u> <u>The minutes shall accurately record the year, month, day, venue, name of the chairperson, method of decision-making,</u>	Article 14 The chairman should provide ample explanation and discussion opportunities for proposals or amendments made by shareholders or ad hoc motions. When it is deemed that a sufficient level of discussion has been reached, the chairman may announce the cessation of discussion and proceed to the vote, arranging adequate voting time. (The original content of the article is revised and moved to Article 9.)	1. In alignment with the current provisions, specifications regarding the content of minutes of meetings are provided. 2. The original content of the article is revised and

Amended articles	Current articles	Explanation
<u>main points of the proceedings, and the results of the vote (including the statistical number of votes). In the Company's duration, they shall be permanently preserved.</u> <u>When a virtual shareholder meeting is convened, the minutes shall include the opening and closing time of the shareholder meeting, the method of convening the meeting, the name of the chairperson and recorder, and the handling method and situation in case of obstacles to the video conference platform or participation via video conference due to natural disasters, emergencies, or other force majeure circumstances.</u> <u>When the Company convenes a virtual shareholder meeting, in addition to complying with the provisions of the preceding paragraph, alternative measures provided by shareholders who have difficulty participating in the shareholder meeting via video conference shall be specified in the minutes.</u>		moved to Article 9.
Article 15 <u>On the day of the shareholder meeting, the Company shall compile a statistical table in the prescribed format showing the number of shares solicited by solicitors, represented by proxy agents, and attended by shareholders in writing or electronically, and shall clearly display it at the shareholder meeting venue; when a shareholder meeting is convened via video conference, the Company shall upload the above data to the video conference platform at least thirty minutes before the meeting begins and continue to disclose it until the meeting ends. When the chairman announces the opening of the meeting, the total number of shares held by attending shareholders shall be disclosed on the video conference platform. If there are additional statistics on the total shares held by attending shareholders and the total voting rights during the meeting, the same shall apply.</u>	Article 15 The chairperson shall appoint the scrutineers and vote counters for the voting of resolutions, but the scrutineers must be shareholders. <u>The voting results shall be reported on the spot and recorded accordingly.</u> (The original content of the article is revised and moved to Article 12.)	1. In alignment with the current provisions, specifications regarding solicitation are provided. 2. The original content of the article is revised and moved to Article 12.

Amended articles	Current articles	Explanation
<u>For resolutions of the shareholder meeting that constitute material information as defined by laws and regulations or the Taiwan Stock Exchange Corporation, the Company shall transmit the content to the Public Information Observation Platform within the prescribed time.</u>		
Article 16 <u>The personnel handling the affairs of the shareholder meeting shall wear identification cards or armbands.</u> The chairperson may direct inspectors (or security personnel) to assist in maintaining order at the venue. When inspectors (or security personnel) assisting in maintaining order, they shall wear armbands <u>or identification cards with the words "inspector."</u> <u>If there is a public address system at the venue, the chairperson may prohibit shareholders from speaking using equipment not provided by the Company. Shareholders who violate the rules of procedure, do not comply with the chairperson's instructions, and obstruct the progress of the meeting may be asked to leave the venue by the chairperson instructing the inspectors (or security personnel).</u>	Article 16 During the meeting, the chairperson may <u>at their discretion, announce a break.</u> (The original content of the article is revised and moved to Article 17.)	1. In alignment with the current provisions, the original content of Article 19 is revised. 2. The original content of the article is revised and moved to Article 17.
Article 17 During the meeting, the chairperson may <u>announce a break at their discretion, and in the event of force majeure, the chairperson may temporarily suspend the meeting and announce the resumption time as appropriate.</u> <u>If the agenda scheduled for the shareholder meeting is not completed before the end of the proceedings (including temporary motions), and the venue cannot continue to be used, the shareholder meeting may resolve to find an alternative venue to continue the meeting.</u> <u>The shareholder meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or continue the meeting within five days.</u>	Article 17 Unless otherwise provided by the Company Law or the Articles of Association, resolutions shall be passed with the consent of more than half of the voting rights represented by the attending shareholders. During voting, <u>if electronically voting shareholders express no objection or abstention to the resolution, the chairperson, after confirming no objections, may deem it as passed, with the same effect as a voting resolution.</u> (The original content of the article is revised and moved to Article 12.)	1. In alignment with the current provisions, specifications regarding meeting suspension or postponement are provided. 2. The original content of the article is revised and moved to Article 12.

Amended articles	Current articles	Explanation
Article 18 <u>When a shareholder meeting is convened via video conference, the Company shall immediately disclose the voting results and election results of various agenda items on the video conference platform after the voting ends, and shall continue to disclose them for at least fifteen minutes after the chairman announces the adjournment.</u>	Article 18 When there are amendments or alternative proposals for the same agenda item, the chairperson shall determine the voting sequence along with the original proposal. If one of the proposals has already been passed, the other proposals shall be deemed rejected, and there is no need for further voting. (The original content of the article is revised and moved to Article 12.)	1. New provisions are added in alignment with the current provisions. 2. The original content of the article is revised and moved to Article 12.
Article 19 <u>When the Company convenes a virtual shareholder meeting, the chairperson and recorders shall be at the same location in Taiwan, and the chairperson shall announce the address of the location at the opening of the meeting.</u>	Article 19 The chairperson may direct inspectors (or security personnel) to assist in maintaining order at the venue. When inspectors (or security personnel) assisting in maintaining order, they shall wear armbands <u>with the inscription "Inspector" displayed on them.</u> (The original content of the article is revised and moved to Article 16)	1. New provisions are added in alignment with the current provisions. 2. The original content of the article is revised and moved to Article 16.
Article 20 <u>When a shareholder meeting is convened via video conference, the Company may provide a simple connection test for shareholders before the meeting and provide relevant services in real-time before and during the meeting to assist in handling technical communication issues. When a shareholder meeting is convened via video conference, the chairperson shall announce separately at the opening of the meeting, except for situations specified in Article 44-2, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies where there is no need to postpone or continue the meeting, that if the video conference platform or participation via video conference is obstructed due to natural disasters, emergencies, or other force majeure circumstances and persists for more than thirty minutes before the chairman announces the adjournment, the meeting date shall be postponed or continued within five days, and the provisions of</u>	Article 20 These rules shall be implemented upon approval by the shareholders' meeting, and the same applies when amendments are made. (The original content of the article is revised and moved to Article 23.)	1. New provisions are added in alignment with the current provisions. 2. The original content of the article is revised and moved to Article 23.

Amended articles	Current articles	Explanation
<u>Article 182 of the Company Act shall not apply.</u> <u>Shareholders who were not registered to participate in the original shareholder meeting via video conference shall not participate in the postponed or continued meeting.</u> <u>For shareholders who have completed registration to participate in the original shareholder meeting via video conference and have checked in but did not participate in the postponed or continued meeting, their shares, voting rights, and election rights attended at the original shareholder meeting shall be included in the total shares, voting rights, and election rights of the shareholders attending the postponed or continued meeting.</u> <u>When handling a postponed or continued meeting of the shareholder meeting in accordance with the provisions of the second paragraph, there is no need to reconsider and resolve the items for which voting has been completed, and the results of the vote or the list of elected directors and supervisors need not be discussed and resolved again.</u> <u>When the Company convenes a shareholder meeting with video assistance, if the video conference cannot continue in accordance with the second paragraph, and the total shares attended by shareholders still meet the statutory quorum for convening the shareholder meeting after deducting the shares attended via video conference, the shareholder meeting shall continue without postponing or continuing the meeting in accordance with the provisions of the second paragraph.</u> <u>In the event of circumstances where the meeting should continue, shareholders who participate via video conference shall have their attendance counted in the total shares of attending shareholders, but they shall be deemed to have abstained from voting on all items of the shareholder meeting.</u>		

Amended articles	Current articles	Explanation
<u>When the Company postpones or continues a meeting in accordance with the provisions of the second paragraph, it shall carry out the relevant preparatory work in accordance with the original shareholder meeting date and the provisions of Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u> <u>During the periods specified in the latter part of Paragraph 12 and Paragraph 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or continue the meeting date in accordance with the provisions of the second paragraph.</u>		
<u>Article 21</u> <u>When the Company convenes a virtual shareholder meeting, appropriate alternative measures shall be provided to shareholders who have difficulty participating via video conference. Except in cases specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided to shareholders, and the period for shareholders to apply to the Company and other relevant matters to be noted shall be stated.</u>		New provisions are added in alignment with the current provisions.
<u>Article 22</u> <u>Matters not covered in these Rules shall be handled in accordance with the Company Law, the Company's Articles of Incorporation, and other relevant laws and regulations.</u>		New provisions are added in alignment with the current provisions.
<u>Article 23</u> These rules shall be implemented upon approval by the shareholders' meeting, and the same applies when amendments are made.		The original content of Article 20 is revised, with the revision

Amended articles	Current articles	Explanation
<u>I. Amended and approved by the shareholder meeting on June 14, 2002.</u> <u>II. Amended and approved by the shareholder meeting on March 25, 2016.</u> <u>III. Amended and approved by the shareholder meeting on June 12, 2020.</u> <u>IV. Amended and approved by the shareholder meeting on July 22, 2021.</u> <u>V. Amended and approved by the shareholder meeting on June 19, 2024.</u>		history of these rules added.

Hwa Fong Rubber Ind. Co., Ltd.
Rules of Procedure for Shareholders Meetings

Amendment approved by the shareholders' meeting on March 25, 2016

Amendment approved by the shareholders' meeting on June 12, 2020

Amendment approved by the shareholders' meeting on July 22, 2021

1. The Company's shareholders' meeting agenda, unless otherwise provided for by the decrees and Articles of Incorporation, shall be conducted in accordance with the Rules.
2. When the Company calls a shareholders' meeting, shall adopt the way of electronic transmission and in the form of writing to exercise shareholders' voting power; when exercised their voting power in writing or with the way of electronic transmission, the method of exercising their voting power shall be described in the shareholders' meeting notice. A shareholder who exercises his/her/its voting power at a shareholders' meeting in writing or with the way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.
- 2-1. When a shareholder in person or a proxy appointed by a shareholder attending a shareholders' meeting, and shall hand in sign-in cards instead of register. The number of shares in attendance shall be calculated according to the shares indicated by sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
3. Attendance and vote at shareholders' meetings shall be calculated based on numbers of shares.
4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
5. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
If a shareholders meeting convened by a party with the power to convene, the meeting shall be chaired by a party with the power to convene.
6. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

7. The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting, and the recorded materials shall be retained for at least one year.
8. The chair shall call the meeting to order at the appointed meeting time, and announce related information, such as the number of nonvoting rights and the number of shares in attendance, etc., at the same time. 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 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, when the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
9. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The 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.

After the meeting was declared to adjourn, shareholders shall not elect another chair or resume the meeting at another venue.
10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken.

When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor, the chair shall stop any violation.
11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the preceding rules or exceeds the scope of the agenda item, the chair may terminate the speech.
12. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

14. 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.
15. 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. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
16. When a meeting is in progress, the chair may announce a break based on time considerations.
17. 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, if the shareholders voting by the way of electronic transmission represent objection or abstention, shall be consulted by the chair without objection, and regarded as passed, its effectiveness is the same as vote.
18. 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.
19. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
20. These Rules shall take effect after submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Hwa Fong Rubber Ind. Co., Ltd.

Articles of Incorporation

Chapter 1 General Provision

Article 1: The Company organized in accordance with the Company Act, named “HWA FONG RUBBER IND. CO., LTD.”

Article 2: The Company’s operating business is as follow:

1. C804010 tires manufacturing
2. C804020 industrial rubber products manufacturing
3. C804990 other rubber products manufacturing
4. F114030 wholesale of motor vehicle parts and motorcycle parts, accessories
5. F114040 wholesale of bicycle and component parts thereof
6. F114050 wholesale of tires
7. F214030 retail sale of motor vehicle parts and motorcycle parts, accessories
8. F214040 retail sale of bicycle and component parts thereof
9. F214050 retail sale of tires and tubes
10. F399040 retail sale no storefront
11. F401010 international trade
12. JA01010 automobile repair
13. ZZ99999 all business items that are not prohibited or restricted by law, except those that are subject to special approval
14. E801010 building maintenance and upholstery
15. F111090 wholesale of building materials
16. G202010 parking area operators
17. H701010 housing and building development and rental
18. H701020 industrial factory buildings lease construction and development
19. H701040 specific area development
20. H701050 investment, development and construction in public construction
21. H701060 new towns, new community development
22. H701070 process zone expropriation and urban land readjustment agency
23. H701080 urban renewal reconstruction
24. H701090 urban renewal renovation or maintenance
25. H703090 real estate business
26. H703100 real estate rental and leasing
27. F113990 wholesale of other machinery and equipment
28. F114010 wholesale of motor vehicles
29. F114020 wholesale of motorcycles
30. F213990 retail sale of other machinery and equipment
31. F214010 retail sale of motor vehicles
32. F214020 retail sale of motorcycles
33. JA02030 bicycle repair

Article 3: The Company established the head office in Changhua County, shall establish branches in other proper places when it’s necessary.

Article 4: The Company’s announcement methods shall be implemented in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 5: The Company's total capital was set as NT\$ 10 billion, separated into 1 billion shares, the price per share was NT\$ 10, and unissued shares were issued by authorized board of directors at several times.
- Article 6: The Company's shares are all adopted registered share certificates, affixed respective signatures or personal seals of five or more directors, and issued in accordance with the regulations. The Company may be exempted from printing any share certificate for the shares issued, but shall be registered in Centralized Securities Depository Enterprises.
- Article 7: The Company's securities affairs shall be conducted in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies issued by the competent authority.
- Article 8: A shareholder's name change and transfer shall not be conducted before 60 days of a regular shareholders' meeting, before 30 days of a special shareholders' meeting or within 5 days before the record date of dividends or other benefits distribution decided by the Company.
- Article 9: Shareholders' meeting shall be of two kinds: a regular shareholders' meeting and a special shareholders' meeting, the regular shareholders' meeting shall be convened within six months after close of each fiscal year, and the special shareholders' meeting shall be convened in accordance with the regulations when it's necessary. When a shareholder cannot attend the shareholders' meeting for any reason, shall appoint a proxy issued by the Company to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. Unless otherwise permitted by Article 177 of the Company Act, related matters shall be conducted in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meeting of Public Companies issued by the competent authority.
- Article 9-1: The Company's shareholders' meeting shall be convened online or by other methods announced by central authority. When a virtual shareholders' meeting is adopted, matters shall be conducted in accordance with relevant regulations, such as meeting conditions, operating procedures and other complied matters, etc., except as otherwise provided by central authority, matters shall be conducted in accordance with the regulation.

Chapter 3 Shareholders' meeting

- Article 10: Resolutions at a shareholders' meeting shall, unless otherwise provided for related regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- However, when the following circumstances occurred, and the shareholders who

represent two-third of the total number of issued shares intends to attend the meeting in person or by a proxy, and by agreement of a majority of the votes represented by the attending shareholders.

(1) Purchased or merged other domestic and foreign companies.

(2) The dissolution or final accounts, demerger of the Company.

Article 10-1: 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, 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 means that it shall be conducted in accordance with Article 177-2 of the Company Act.

Article 11: 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.

Article 12: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes, and the meeting minutes shall be conducted in accordance with Article 183 of the Company Act.

Article 13: The board of directors of a company shall have nine to thirteen directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity, and the term of office of a director shall not exceed three years, but he/she may be eligible for re-election.

The number of directors mentioned above independent directors shall not be less than two persons, and less than one-fifth of the director seats, a candidates nomination system is adopted by a company for election of the directors (included independent directors) of the Company, and shareholders elected directors (independent directors) among a roster of director candidates.

Elections of directors at the Company shall be conducted with elections of independent directors and non-independent directors, and separately calculated the number of elected. The professional qualifications, shareholding, part-time restrictions, nomination and election methods and other matters to be followed of the independent director shall be conducted in accordance with the relevant provisions of the securities authorities.

The preceding percentage of shareholdings of all the directors selected is subject to the provisions prescribed by the Securities Regulatory Agency.

Article 13-1: When the Company appointed the audit committee, shall not elect another supervisor in accordance with Article 14-4 of Securities and Exchange Act, the audit committee

shall be composed of the entire number of independent directors, it shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. Duty exercising of the audit Committee, organization rules or other matters for compliance, shall be conducted in accordance with related regulations or the Company's rules.

Article 14: The Company's election of directors shall adopt a cumulative voting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates, a candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.

Chapter 4 Director, Supervisor and Managerial Officer

Article 15: Directors organized the board of directors to exercise the duties of directors, and the directors shall be elected by the shareholders from among themselves or appoint one person as a chairman, one person as vice chairman, the chairman represent the Company to chair all business, however the vice chairman assists the chairman in all business. The proxy mentioned above, when one-third of term of office left, re-election shall be held within three months. When the number of vacancies in the board of directors of a company equals to one-third of the total number of directors, the board of directors shall call, within 30 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies, his/her/its term of office is restricted to fulfill the unexpired term of office of the predecessor. After the Company issued stocks in public, the board of directors shall call a special shareholders' meeting for re-election within 60 days.

Article 16: A meeting of board of directors may be convened one time each quarter, and in calling a meeting of the board of directors, a notice shall set forth therein the subject(s) to be discussed at the meeting, and shall be given to each director no later than 7 days prior to the scheduled meeting date; however, in the case of emergency, a meeting of the board of directors may be convened at any time. The notice of the meeting of board of directors may be effected by means of writing, electronic transmission or E-mail, etc.

Unless the first meeting of each term of the board of directors shall be convened in accordance with the proviso in Article 203 of the Company Act, other meetings shall be convened and chaired by the chairman, unless otherwise regulations provided for the Company Act, a resolution of the meeting of board of directors shall be agreed by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company, and the meeting minutes shall be made.

When a director cannot attend the meeting of the board of directors in person, a director may be represented by another director. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a

visual communication meeting shall be deemed to have attended the meeting in person.

Article 17: Deleted

Article 18: The remuneration of directors, and shall be determined by the authorized board of directors to pay at such level as generally adopted by the enterprises of the same industry.

Article 19: The Company may appoint an executive director, several managerial officers (include general manger, vice general manager), his/her appointment, discharge and remuneration shall be conducted in accordance with Article 29 of the Company Act and related regulations. They may recruit consultants as business needs.

Article 19-1: The Company may purchase the liability insurance for directors and important staff with respect to liabilities resulting from exercising their duties during their terms of directorship.

Chapter 5 Accounting

Article 20: The end of December every year is the final accounts period of the Company, and the following final statements shall be drawn up by the board of directors at the end of each fiscal year, and submitted to the audit committee for audit before 30 days of the scheduled date of a regular shareholders' meeting and the audit report shall be offered, and reported to a shareholders' meeting for approval.

(1) Business Report

(2) Balance Sheet

(3) Comprehensive Income Statement

(4) Statements of Changes in Equity

(5) Statements of Cash Flows

(6) Earnings distribution or appropriation of loss proposal

Article 21: As the profitability of the current year, the Company shall not allocate less than 2% as employees' remuneration, and more than 5% as directors' remuneration. However, the company's accumulated losses shall have been covered.

Employees' compensation may be distributed in the form of shares or in cash, and qualification requirements of employees shall include the employees of parents or subsidiaries of the company meeting certain specific requirements.

The profitability of the current year mentioned in paragraph 1 means that income before distributed employees and directors' remuneration was deducted from net income before tax.

Distribution of employees and directors' remuneration shall be conducted by a resolution by a majority voting of the directors present at a meeting of its board of directors attended by two-third of the directors of the company, and reported to a shareholders' meeting.

A company which has the profit distributed to employees in the form of shares by a

resolution of the meeting of board of directors in accordance with the provision of the preceding paragraph may resolve, at the same meeting of the board of directors, to distribute the shares by way of new shares to be issued by the company or existing shares to be re-purchased by the company.

Article 21-1: The Company's earnings distribution or loss recovery was conducted in the end of each half of fiscal year. The Company's earnings distribution proposal or loss appropriation proposal of the first half of the fiscal year, shall be submitted with the operation report and financial statements to the audit committee, and reported to the board of directors for approval after audited. Due to the variation of the industrial environment where the Company lies in, the enterprise is in the phase of steady growth, and considered the Company's future fund needs and long-term financial plan, if there are earnings, tax contribution and loss recovery shall be made first, and then appropriated 10% as legal reserve, however, except when legal reserve achieved the Company's paid-in capital; besides, as the Company's operational needs and the regulations, designated special reserve, if there were earnings, consolidated beginning of period undistributed earnings, 20-90% of earnings can be appropriated by the resolution of the board of directors as earnings distribution of the current year. The cash dividends inside shall not be lower than 10% of total number of earnings distribution. When earnings mentioned in the preceding paragraph were distributed as dividends or designated legal reserve or capital reserve, all or a part may be paid in cash, and it shall be conducted after approved by the special resolution of the board of directors, and reported to a shareholders' meeting, when the distribution was made in the form of issuing new shares, shall be reported to a shareholders' meeting, and conducted after approved.

Chapter 6 Supplemental Provisions

Article 22: After approved by the board of directors, the Company may make guarantees for other companies.

Article 23: The Company's related reinvestment business shall have no restrictions.

Article 24: The Company's organizational regulations, rules and other chapters shall be prescribed by the board of directors.

Article 25: Unsettled matters of the Articles shall be conducted in accordance with the Company Act.

Article 26: The Articles of Incorporation was drawn up on March 8, 1959.

The 1st amendment was made on April 8, 1962.

The 2nd amendment was made on May 15, 1967.

The 3rd amendment was made on August 10, 1970.

The 4th amendment was made on October 20, 1972.

The 5th amendment was made on September 20, 1973.

The 6th amendment was made on June 20, 1976.

The 7th amendment was made on December 3, 1977.

The 8th amendment was made on April 15, 1979.
The 9th amendment was made on June 21, 1981.
The 10th amendment was made on May 23, 1982.
The 11th amendment was made on June 12, 1983.
The 12th amendment was made on February 10, 1985.
The 13th amendment was made on February 5, 1986.
The 14th amendment was made on February 13, 1988.
The 15th amendment was made on May 22, 1991.
The 16th amendment was made on June 28, 1991.
The 17th amendment was made on May 15, 1992.
The 18th amendment was made on May 14, 1993.
The 19th amendment was made on July 8, 1994.
The 20th amendment was made on May 17, 1995.
The 21st amendment was made on May 24, 1996.
The 22nd amendment was made on December 2, 1996.
The 23rd amendment was made on May 23, 1997.
The 24th amendment was made on May 13, 1998.
The 25th amendment was made on June 15, 1999.
The 26th amendment was made on June 19, 2000.
The 27th amendment was made on June 12, 2001.
The 28th amendment was made on June 14, 2002.
The 29th amendment was made on March 20, 2003.
The 30th amendment was made on June 17, 2004.
The 31st amendment was made on June 16, 2005.
The 32nd amendment was made on June 19, 2008.
The 33rd amendment was made on June 25, 2010.
The 34th amendment was made on June 16, 2011.
The 35th amendment was made on September 14, 2011.
The 36th amendment was made on June 19, 2013.
The 37th amendment was made on May 14, 2014.
The 38th amendment was made on October 14, 2014.
The 39th amendment was made on March 25, 2016.
The 40th amendment was made on June 27, 2018.
The 41st amendment was made on June 21, 2019.
The 42nd amendment was made on July 22, 2021.
The 43rd amendment was made on June 14, 2022.

Appendix 3

Hwa Fong Rubber Ind. Co., Ltd. All Directors' Shareholding Statement

1. Total number of the Company's issued shares: 279,349,134 (as of the book closure date: April 21, 2024).
2. The minimum legally held shares held by the Company's shareholders: 12,000,000.
3. As of the book closure date (April 21, 2024) at 2024 annual shareholders' meeting, and individual and all directors' shareholding statements registered in the shareholders roster are as follows.

Current All Directors' Shareholding Statement

Total number of issued shares: 279,349,134 shares

Title	Name	Shareholding numbers	Shareholding ratios
Chairman	Feng Tsuan Co., Ltd.	8,884,210	3.18%
	Chairman/representative: Shen, Kuo-Jung		
Vice chairman	Vice chairman/representative: Chiu, Shih-Chien		
Director	Director/representative: Lin, Wen-Cheng		
	Director/representative: Wu, Pin-Yi		
	Director/representative: Liao Chen, Hsuan-Yu		
Director	Sumitomo Rubber Industries, Ltd.	28,428,574	10.18%
Director	Teng Feng Investment & Development Co., Ltd.	4,121,151	1.48%
	Director/representative: Yan, Ruei-Sian		
Director	Sheng Ta Investment Co., Ltd.	639,764	0.23%
	Director/representative: Yan, Ming-Shan		
Independent director	Tsai, Hung-Wen	-	-
Independent director	Yang, Wen-Kuang	-	-
Independent director	Huang, Chu-Chia	10,000	0.04%
Sum of all directors' shareholding numbers		42,173,699	15.10%

Appendix 4

Other Disclosure Matters

The influence of the Company's operational performance, earnings per share and shareholders' return on investment caused by the bonus shares:

The Company has no public financial forecast information of the year 2024, so it's not applicable.



華豐橡膠工業股份有限公司 2024股東常會議事手冊
HWA FONG RUBBER ANNUAL SHAREHOLDER'S MEETING 2024
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